



Solicitation Number: COS16-012

Solicitation Release Date: October 15, 2015

Materials and/or Service: Comprehensive Treasury Services

Solicitation Due Date: December 1, 2015 **Time:** 4:00 pm (Arizona Time)

Solicitation Mailing Address: **City of Surprise**
Procurement Division
16000 N Civic Center Plaza
Surprise, AZ 85374 7 paper copies, 1 electronic copy (USB drive)

and

PFM Asset Management LLC
One Keystone Plaza, Suite 300
N. Front & Market Streets
Harrisburg, PA 17101 2 paper copies, 1 electronic copy (USB drive)

All Offers must be received by the City of Surprise and at the specified location by the date and time cited above. Late Offers will not be considered. Offerors are advised to carefully read the entire Solicitation Package. Offers that do not comply with all Instructions contained within may be disqualified.

Solicitation packages can be obtained by downloading from the City of Surprise's website: <http://surpriseaz.gov/> and following these instructions: Enter City website, follow the link to "City Departments", "Finance Department", "Bid/Proposal Opportunities for \$50,000+" click on City Departments, click on RFP COS 16-012. Should you experience problems downloading the solicitation, contact the Procurement Division at purchasing@surpriseaz.gov.

Attendance at the Teleconference is not mandatory; however, Offerors are strongly encouraged to attend.

Teleconference Event: November 5, 2015 @ 11:00 a.m. (Arizona Time)

All communications concerning this solicitation must be directed to the person identified within this solicitation in Table 02. Communications with other city staff may disqualify you from the evaluation process.

OFFERORS ARE STRONGLY ENCOURAGED TO READ THE ENTIRE SOLICITATION.

Published via www.surpriseaz.gov 10/15/2015

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OFFER AND ACCEPTANCE

In accordance with City of Surprise Procurement Code, competitive sealed proposals for the material or services specified will be received by the City of Surprise Finance Department, Procurement Division at the specified location until the date and time cited above. Proposals must be in the actual possession of the City of Surprise Finance Department, Procurement Division on or before the exact date and time indicated above. Late proposals will not be considered. **Proposals must be submitted in a sealed envelope with the Request for Proposal number and the Proposer's name and address clearly indicated on the front of the envelope.** All proposals must be completed in ink or typewritten. Offerors must carefully read the **entire** Request for Proposal Package.

OFFER

The undersigned hereby offers to furnish materials and/or services in compliance with all terms, conditions, specifications and amendments in the Notice of Request for Proposal (including the Scope of Work, Standard Terms and Conditions, and any amendments) except for any written exceptions in the offer. The signature below also certifies his or her understanding that by making this offer, the undersigned will be contractually bound to provide these goods and services if the offer is accepted by the City. The undersigned further certifies that his or her firm IS or IS NOT currently debarred, suspended, or proposed for debarment by any governmental entity. The undersigned agrees to notify the City of Surprise of any change in this status, should one occur, until an award has been made under this procurement action.

Company Name:		Fax:	
Address:		Authorized Signature for Offer	
City, St. Zip:		Printed Name:	
Email:		Title:	
Telephone:			

ACCEPTANCE OF OFFER AND CONTRACT AWARD (For City of Surprise Use Only)

Your offer is hereby accepted. The Contractor is now bound to provide services in the solicitation, including all terms conditions, specifications, amendments, etc., and the Contractor's offer as accepted by the City.

Attested by: _____ Sherry Aguilar, City Clerk		City of Surprise, Arizona. Effective Date: _____ _____ Dana Garr, PROCUREMENT MANAGER Approved as to form: _____ Misty Leslie, CITY ATTORNEY
City Seal	COS16-012 _____	Awarded on: _____ _____ Bob Wingenroth, CITY MANAGER
	Contract Number	

Request for Proposals (RFP) for Comprehensive Treasury Services

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1.0 RFP Introduction and Background

1.1 Introduction

This Request for Proposals (RFP) is intended to solicit proposals from Proposers capable of satisfying the City of Surprise's needs for Comprehensive Treasury Services. Proposers' responses will be evaluated and ranked based on the criteria described in this RFP. If services are available that meet the City's needs, the City may then enter into contract discussions with the selected Proposer. In addition to soliciting written responses, this document provides information to assist Proposers in preparing their responses and facilitates the subsequent evaluation and comparison process. In that regard, this RFP:

- Provides information essential to soliciting meaningful recommendations and realistic commitments from the Proposers;
- Specifies the desired format and content of proposals in response to this RFP;
- Outlines the City's evaluation and selection procedures;
- Establishes a schedule for the preparation and submission of proposals in response to this RFP; and,
- Establishes a performance standard for the selected Proposer.

This RFP and the selected Proposal in response to this RFP will be incorporated into the contract resulting from this solicitation; provided, however, that the contract may contain terms different from or in addition to this RFP and the successful proposal.

1.2 About Surprise

Surprise is located 45 minutes west of downtown Phoenix and was founded on May 17, 1938, by Flora Mae Statler who purchased and subdivided the original site. The former small farming village now encompasses 108 square miles, including urban and commercial developments, ranches, industrial, and business parks. Surprise strives to achieve a balance between the needs of residential communities and the growth of business and industrial areas. Industrial growth zones are selected to operate competitively, but harmoniously, with the residential community. Surprise is located in Maricopa County and has seen an increase in population of over 280% since the 2000 census. This increase has resulted in Surprise being the second fastest-growing municipality in the greater Phoenix metropolitan area.

Over the past 51 years, Surprise has grown from 500 residents to a city of over 118,000 people, evolving from a small town government to a regional governmental entity. The City offers a broad range of living styles, from small family subdivisions to a number of secluded ranches. Surprise also offers a number of retirement communities that address the needs and lifestyles of active adults.

1.3 Project Objectives

The City of Surprise is planning to establish a contract through competitive negotiations for Comprehensive Treasury Services.

1.4 Definitions

ADDENDA/ADDENDUM - Written instrument(s) issued by the City of Surprise prior to the date for receipt of proposals, which modify or interpret the Request for Proposal (RFP) documents by addition, deletions, clarification or corrections.

CITY - The City of Surprise, an Arizona municipal corporation and political subdivision of the State of Arizona.

CITY IMPLEMENTATION TEAM - The team of City staff that will lead the implementation of the Project.

CITY PROJECT MANAGER - The person designated by the City of Surprise to be the City Project Manager assigned to act on behalf of the City during the term of this Contract.

CITY MANAGER - The manager of the City of Surprise or designee.

CONTRACT DOCUMENT - The Request for Proposals, submitted proposal, including any diagrams, blueprints, Addenda, and a form of agreement between the City and the Contractor, including all change orders, insurance certificates, exhibits, amendments, and attachments.

CONTRACTOR(s) or CONTRACTOR - The person(s), consultant(s), corporation(s) or other entity(ies) the City selected and has been awarded as a result of this RFP. Because the City is encouraging Proposals of a sub-set of the functional areas of this RFP, there may be more than one Contractor.

CONTRACTOR PROJECT MANAGER - The person designated by the Contractor to be the Contractor's Project Manager assigned to act on behalf of the Contractor during the term of this Contract.

DAYS - means calendar days unless otherwise specified in the Contract Documents.

LITIGATION EXPENSE - Any court filing fee and costs, arbitration fees or costs, witness fee, arbitration fees, and each other fee and cost of investigating and defending or asserting any claim for indemnification under this Contract, including, without limitation, in each case, attorneys' fees, professional fees, disbursements and each other fee and cost of investigating and defending, appealing or asserting any claim for indemnification under this Contract.

LOSS - Any liability, loss, claim, settlement payment, cost and expense, interest, award, judgment, damages (including punitive damages), diminution in value, fines, fees and penalties or other charge, other than a litigation expense.

OFFEROR - See "PROPOSER".

PROJECT SCOPE - Scope of services to be provided by the Contractor(s).

PROPOSAL - A complete and properly signed proposal to provide goods, commodities, labor or services for the sum stated and submitted in accordance with the Request for Proposal.

PROPOSER or OFFEROR or VENDOR - The person, contractor, corporation, partnership or other entity submitting a Proposal on items listed in the RFP Documents and thereby agreeing to meet the Contract terms and conditions if awarded the contract.

RESOURCE PLAN - Resources needed to perform Project activities.

SERVICES or WORK - All services to be performed by the Contractor to successfully complete and/or provide the requested services to the satisfaction of the City.

SUBCONTRACTOR or SUBCONSULTANT - Any individual, corporation, company, or other entity who contracts to perform work or render services to a Contractor or to another subcontractor as part of this Contract with the City.

VENDOR - See "PROPOSER".

1.5 City's Consulting Partner

The City has retained PFM Asset Management LLC ("PFMAM") as a consulting partner for assistance in issuing this RFP and evaluating proposal responses. The role of PFMAM is to provide information and analytical services to support the project.

PFMAM will be facilitating activities as part of the procurement process, but will not participate in the evaluation scoring. Evaluations and resulting decisions will be made solely by the City.

1.6 No Obligation

The inquiry made through this RFP implies no obligation on the part of the City to award a contract or complete any specific project. The City reserves the right to cancel this solicitation or to change its scope if it is considered to be in the best interest of the City. The City further reserves the right to award all, part, or none of the components/functional areas included in this RFP.

1.7 RFP Schedule of Events

The following RFP Schedule of Events represents the best estimate of the schedule the City will follow.

Table 01: RFP Schedule of Events

Event	Estimated Date
Request for Proposals Published	October 15, 2015
Pre-Proposal Vendor Teleconference	November 5, 2015
Deadline for Questions From Vendors	November 11, 2015
Final Addendum for Questions Published	November 17, 2015
Deadline for Notice of Intent to Submit a Proposal	November 19, 2015
Deadline for Proposal Submissions	December 1, 2015
Short List Vendors Notified	January 4, 2016
Short List Vendor Interviews	January 27-29, 2016
Begin Contract Negotiations	March 2016

1.8 Pre-Qualification of Vendors

The City does not employ a pre-qualification process. No Proposers are either pre-qualified or precluded from responding to this RFP. A completed Notice of Intent to Submit a Proposal (Attachment E) must be received by the due date in order to participate in this solicitation.

1.9 Minimum Qualifications

In order for Proposals to be evaluated and considered for award, Proposals must be deemed responsive, and shall conform in all material respects to the requirements of the RFP. Proposers must document and validate their capability to fully perform all requirements defined by the RFP. Factors to be considered include, but are not limited to: experience, integrity, reliability, capacity and other factors required to provide the services defined by the RFP.

1.10 Partnerships

Proposals that include partnerships with other vendors will be considered. Partnerships shall be clearly defined by Proposal responses. Such definition shall identify the entity in the partnership deemed to be the Prime Vendor. It is expected that any item in the Proposal response guidelines that relates to an individual Proposer's capabilities shall be responded to for each Vendor in the partnership.

Establishing a partnership is not required by Proposers.

1.11 Incurred Expenses

The City is not responsible for any cost(s) incurred by a Proposer in preparing and/or submitting a Proposal in response to this RFP. The City will also not be responsible for any costs associated with preparing and/or participating in any systems demonstrations requested of the Proposer's product.

1.12 Questions and Inquiries

It shall be the responsibility of the Proposer to inquire about any portion of the RFP that is not fully understood and susceptible to more than one interpretation. Written inquiries are required. All questions concerning the RFP must reference the page number, section heading, and paragraph, if applicable. Questions may be submitted via email and Proposers shall place "Comprehensive Treasury Services RFP Questions" in the subject line. Oral communications will not be accepted.

The following table provides the primary contact information.

Table 02: Point of Contact

Point of Contact
Procurement Division purchasing@surpriseaz.gov

Questions and inquiries related to this RFP, including questions and inquiries related to technical issues are to be submitted in writing via email and directed to the Point of Contact using the contact information in Table 02 above.

In accordance with the RFP Schedule of Events in Section 1.7, all questions must be received in writing no later than November 11, 2015 at 12:00 p.m. Arizona Time. Questions and answers will be issued in accordance with Section 1.15, Amendments and Addenda. City of Surprise reserves the right to change the Schedule of Events or issue Addenda to the RFP at any time. Only questions and answers publicly published through Addenda shall be binding. All Amendments and Addenda will be posted to the City website.

Proposers shall not contact other City staff with any questions or inquiries. Unauthorized contact with any personnel of the City may be cause for rejection of the Proposer's response. The decision to reject a Proposal is solely that of the City.

1.13 Clarification and Discussion of Proposals

The City may request clarifications and conduct discussions with any Proposer who submits a Proposal. Proposers must be available for a finalist presentation to City staff on dates specified in Table 01 if selected as a finalist.

1.14 Pre-Proposal Vendor Teleconference

A Pre-Proposal Vendor Teleconference will be held November 5, 2015 at 11:00 a.m. Arizona Time. The Pre-Proposal Vendor Conference will be hosted via teleconference. Vendors are required to request the teleconference number and passcode from the Point of Contact identified in Table 02. Due to teleconference bridge restrictions, Vendors are limited to two (2) conference participants per company.

The format of the Pre-Proposal Vendor Teleconference will be an overview presentation of the RFP and the RFP Schedule of Events. Following the presentation, Proposers will be able to ask questions related to the overall process. The City will attempt to answer all questions at that time, but answers provided shall not be binding.

Participation in the Pre-Proposal Vendor Teleconference is not mandatory.

1.15 Amendments and Addenda and Acknowledgment of Receipt

All clarifications and RFP revisions will be documented in Addenda. Addenda information will be posted on the website. Only questions and answers documented as an Addendum shall be binding. Any Addendum to this RFP will be issued in writing; no oral statements, explanations, or commitments shall be provided.

If an addendum is issued, a Receipt of Addenda Form (Attachment B) must be signed and returned with Proposer's Offer. Failure to return the signed Receipt of Addenda form may result in disqualification of the Proposer from the process.

The City reserves the right to revise the RFP prior to the deadline for Proposal submissions. Revisions will be documented in the form of an addendum and posted to the City of Surprise website: <http://surpriseaz.gov/>.

1.16 Contract Approval

This RFP does not, by itself, obligate the City to award a contract. The City's obligation will commence following the City Council's approval of the expenditure and the subsequent execution of the Contract. Upon written notice to the Vendor, the City may set a different starting date for the contract. The City will not be responsible for any work done by the Vendor, even work done in good faith, if it occurs prior to the execution of the contract by both parties and the issuance of a purchase order.

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2.0 Scope of Services Provided by the Selected Vendor

2.1 Service Groups

The City of Surprise has issued this Request for Proposal to select one or more firms to meet the City's comprehensive treasury service needs. In order to procure the best experience for the City and its customers, the RFP has been divided into ten (10) Service Groups. Firms may propose to provide one or more of these Service Groups. It is expected that awards to multiple vendors will be made, but only one vendor will be selected for each Service Group.

Table 03: Service Groups

No.	Service Groups
1	General Banking
2	Institutional Custody
3	Purchasing Card / Integrated Payables
4	Retail Lockbox Services
5	Bill Printing & Mailing Services and Online Collection Services
6	Merchant Card Processing
7	Payroll Cards
8	Onsite ATMs
9	Armored Car Services
10	Wholesale Lockbox Services

2.2 Service Group 1: General Banking

- A. **General Requirements:** The City of Surprise currently has five (5) demand deposit accounts.

The City's account structure is shown below:

General Fund (ZBA Subsidiary Account)
Payroll Account (ZBA Subsidiary Account)
ZBA Account
Court Imprest Account (stand-alone account)
Special Account (stand-alone account)

Required services include:

- a. Establish a minimum of five (5) demand deposit accounts to meet the banking requirements of the City,
 - b. Maintain accurate records of activity in those accounts, and
 - c. Supply coin and currency needs.
- B. **Deposit Services:** The City collects and deposits approximately 900 checks per month. Volumes are consistent through the year. Over the last twelve (12) months, monthly-deposited check volumes fluctuated from a low of 720 items in June to a high of 2,160 items in December. The City is exploring the benefits of using remote deposit capture (RDC) scanners to make deposits.

An armored car service picks up daily deposits from four locations and a weekly deposit from another location throughout the City. The City uses deposit reconciliation services to identify deposits from each location. The City is exploring the benefits of using a "remote safe" for currency depository services.

Required services include:

- a. Process the deposit of approximately 900 checks per month by remote deposit capture or at a local branch,
- b. Image deposited items,
- c. Provide deposit reconciliation services,
- d. Provide online access for deposit reconciliation, including images of deposited items.

- C. **Disbursement Services:** The City disburses approximately 370 checks per month. Accounts Payable checks are disbursed every week and payroll checks are disbursed every other week. The City currently has Positive Pay set up on all accounts disbursing checks (General Fund and Payroll Accounts). The City is considering implementing Payee Positive Pay.

Required services include:

- a. Provide positive pay services with online transmission of check details,
- b. Provide payee positive pay services,
- c. Provide online pay exception item review and correction,
- d. Provide online stop payments services,
- e. Provide online access to cleared checks (images of front and back), and
- f. Provide online access to cashed check images.

- D. **Electronic Transfer of Funds:** The City initiates approximately 2,400 ACH transactions per month. An ACH payroll file is sent every other week. The City receives approximately 130 ACH Debits / Credits monthly. Through this RFP, the City is seeking to add ACH Debit Blocks / Filters and ACH Positive Pay. A minimum of (approximately two (2)) federal funds wires are sent or received each month.

Required services include:

- a. Accept and send ACH transactions,
- b. Provide ACH Debit block / filter services,
- c. Provide ACH positive pay services,
- d. Provide a secure electronic method for initiating wire transfers,
- e. Provide a secure electronic method for initiating international wire transfers to Canada, and
- f. Provide a secure electronic method for initiating intra-bank transfers

- E. **Reporting:** The City requires access to daily reports of balances and transaction information, including prior day reporting of ledger balance, available balance, and summary and details of credits / debits posted. Prior day reporting of wire activity and ACH receipts is also needed.

Required services include:

- a. Provide online balance reporting services,
- b. Allow approximately 15 or more City employees to access the firm's online reporting system with different levels of authorization,
- c. Provide online monthly activity statements and reports for all accounts,
- d. Provide prior day reporting for a minimum of 90 days,
- e. Provide full account reconciliation services for disbursements and deposits,
- f. Provide a detailed monthly account analysis statements for each account and a consolidated statement

- F. **Bank Balances:** During the past year, the City maintained an average collected balance of approximately \$43 million with its banking partner. At a minimum, the City plans to maintain \$20 to \$25 million at the bank to facilitate day-to-day operational needs. The City will consider sweep options, such as money market mutual funds and overnight repurchase agreements in lieu of maintaining balances in the demand deposit account.

Required services include:

- a. Provide an overnight investment service (sweep) and/or interest bearing account for cash balances in the demand deposit accounts,
- b. Provide a competitive earnings credit rate for uninvested balances, and
- c. Collateralize all collected balances, in excess of balances insured by the FDIC, as per the collateral requirements of A.R.S. 35-312 and 35-323.

2.3 Service Group 2: Institutional Custody

The City is seeking custody services for its Operating Funds portfolio. The City's Operating Funds portfolio has approximately \$73 million invested in high quality fixed income securities of U.S. Treasuries and Federal Agencies. The portfolio is currently managed by an external investment advisor.

Approximately 34 securities are held by the custody bank at a single time. Over the last twelve (12) months, there were approximately 30 purchases and 35 sale transactions.

The custodian bank will receive trade information from the City or directly from its investment advisor. The custodian bank will have no responsibility for investing or reinvesting these monies except for providing an overnight investment vehicle.

Required services include:

- a. Maintain a custody account in the bank's Trust Department for the cash and individual securities owned by the City,
- b. Segregate all securities and cash from the assets of others. The custodian shall have only the bare custody thereof and securities shall be and remain the sole property of the City. The securities held by the custodian shall, unless payable to the bearer, be registered in the name of the City. Securities delivered to the custodian shall be in due form for transfer or already registered as provided above,
- c. Settle and deliver securities as directed through any broker selected by the City or the City's investment advisor,
- d. Create, maintain and retain all records relating to securities held in custody in City accounts to meet the requirements and obligations under generally accepted accounting principles,
- e. Provide an overnight investment vehicle for cash balances in the custody accounts,
- f. Provide online reporting of portfolio activity and holdings on a real-time or next day basis,
- g. Provide online monthly activity statements and reports including the market value of all portfolio holdings (the statement cut off should be the last day of the month), and
- h. Provide corporate action reporting to the City and investment managers of bond calls, conversions, tender offers, exchanges, receipt of stock rights, mergers and reorganizations, and other events that affect fund holdings.

2.4 Service Group 3: Purchasing Card / Integrated Payables

The City has a small purchasing card program with \$2.4 million of annual spend. There are roughly 250 cards in circulation. In fiscal year 2015, approximately 10,570 transactions were made on the purchasing card with an average transaction size of \$227. Currently, the City has 30/14 payment terms (30 day billing cycle with payment due within 14 days).

The City currently uses the expense reporting capabilities of the incumbent bank. The City is seeking a platform that includes the ability to easily upload receipts, assign internal accounting codes to transactions, and reimburse employee out-of-pocket expenses.

The City's Accounts Payable office disburses over \$300 million to 2,400 active vendors each year. With the implementation of the City's Enterprise Resource Planning (ERP) system through Tyler Technologies, the City is also interested in expanding the ability to pay vendors ("AP Vendors") electronically by both card and ACH. Currently, nearly 75% of vendors are paid by check.

Required services include:

- a. Issue 250 or more cards with staggered expiration years, but a common month
- b. Issue non-activated cards directly to the City (and not to the individual cardholder),
- c. Provide detailed online reporting services,
- d. Establish an automatic feed into the City's accounting system (Tyler Technologies ERP),
- e. Pay a rebate to the City based on expenditures,
- f. Work with the City to expand the use of its purchasing card program to increase the rebate earned, and
- g. Work with the City to convert vendors that currently receive checks to payment by purchasing card.

2.5 Service Group 4: Retail Lockbox Services

The City currently uses a third-party vendor for utility billing, collection, and reporting. The City is considering bringing some critical services in-house, such as the maintenance of all account records and interactions with customers. The City plans to use third-party vendors for other functions, including processing of mailed payments, printing and mailing of invoices and maintenance of an online platform. This RFP (specifically Services Group 4 – 6) addresses some of the potential operational needs related to the billing and collection of utility payments. Depending on the proposals received and respective pricing, the City may reconsider which services are awarded to a third-party and which services are provided by the City.

For payments received by mail from customers, the City is seeking a retail lockbox provider. The City has 45,000 utility customers that receive monthly invoices for amounts between \$16 and \$75 and 5,000 utility customers that receive annual invoices from amounts between \$190 and \$472. As part of this RFP, the City is seeking to make available electronic payment options that will reduce the number of payments made by mail.

As part of the implementation of services requested in this RFP, the City is open to (and likely will) redesign the invoice sent to customers. The City will work with the vendor(s) selected for Service Group 4 and 5 to design a remittance document that would minimize processing costs.

The City requires payment information to be consolidated into a standard file (BAI2 or ANSI format) to be uploaded to the City's accounts receivable billing system. This information needs to be transmitted prior to the start of the nightly batch billing process.

Required services include:

- a. Process, including imaging, checks and remittance documents received,
- b. Provide online access to images of processed items and remittance documents,
- c. Provide online reporting and download of detail and summary of transactions including account numbers and payment amounts, and
- d. Provide exception item review and correction online.

2.6 Service Group 5: Bill Printing & Mailing Services and Online Collection Services

Presently, the City of Surprise is using a third-party vendor to prepare, print, and mail utility bills for its 50,000 accounts. Statistics on the number of actual paper bills sent out monthly are unavailable from the third-party vendor. Proposers should use industry statistics to estimate the number of paper bills sent versus the number distributed through paperless billing options. The City plans to provide quality services including the option to offer its customers the ability to opt for the suppression of paper statements.

A summary of the parameters for printing and preparing bills is included below:

Table 04: Parameters for Printing and Preparing Bills

Print Parameters	Description
Number of cycles per month that bills are generated for printing and mailing.	To be determined*
Volume of Bills	45,000 per month
Daily Transmission Time of File	To be determined*
Data File transmission method	To be determined*
Preferred Time from Transmission Receipt to Bills in the Mail Stream	To be determined*
Average Number of Pages per Billing.	To be determined*
Portrait or Landscape	To be determined*
Simplex or Duplex	Duplex
Color	Yes
Bill formats/templates	To be determined*
Minimum Number of Insertions with Bill.	To be determined*
Number of Additional Insertions per Bill or Notice (i.e. How many different additional insertions could be managed through one month)	To be determined*
Paper Stock	To be determined*
Paper Size	To be determined*
Fold Specifications	To be determined*
Remittance Envelope Size	To be determined*

*The City is seeking the best available options to reduce costs while achieving an efficient and effective bill printing and mailing system

The City is interested in offering customers a robust online platform. The online platform should allow customers to receive current and historical invoices electronically.

The online portal needs to offer the following capabilities.

- a. Ability for customers to enroll online,
- b. Ability for customers to enroll in automated payments,
- c. Maintain online user accounts and previous payment methods,
- d. One-time ACH payment with no convenience fees,
- e. One-time merchant card payments with no convenience fees,
- f. Recurring merchant card payments with no convenience fees.

2.7 Service Group 6: Merchant Card Processing

The City processes credit card transactions using seven (7) merchant identification numbers. The City processes these transactions on FD100 terminals. These terminals are leased by the City. The City is currently a Level 3 PCI entity.

There are occasions during the year when it would be desirable to have access to wireless terminals or the ability to process credit cards by smart-phones. The City estimates they would need six (6) wireless terminals for approximately 1 ½ months.

Annual merchant card processing volume is approximately \$2.7 million. The current average number of annual transactions and dollar amounts are shown in the table below for each card type. The City is considering absorbing interchange fees on utility payments, which could greatly increase merchant card volumes.

Table 05: Merchant Card Transactions

	# of Annual Transactions	\$ Amount Processed	Average Transaction Size
MasterCard	2,800	\$382,800	\$137
MasterCard Debit	2,300	\$168,800	\$73
Visa	6,000	\$647,900	\$108
Visa Debit	20,200	\$1,549,000	\$77
Discover	10	\$ 1,050	\$105

The City collects online payments using multiple software applications, specifically:

Table 06: Online Payment Software Applications

Department	Software Application
Community and Recreation Services	CLASS
Businesses Licensing	HDL

Required services include:

- Process credit card payments (MasterCard, Visa, and Discover),
- Process online payments,
- Process debit card transactions,
- Transfer funds to designated City accounts,
- Provide automated or online reporting services including user-friendly summary reports on chargebacks, and
- Provide a detailed online monthly analysis statement for each individual merchant location, and a consolidated statement showing charges for all account services.

2.8 Service Group 7: Payroll Cards

The City currently pays employees by check and direct deposit via ACH.

The City has two biweekly pay cycles with employees paid on Friday. The amount of payments varies based on seasonality, with typically 650 full time employees during the offseason and approximately 950 to 1,000 during the summer. During non-summer months, there are eight (8) employees who are mailed checks. During the summer, there are approximately 60 part-time seasonal employees, who receive paper checks.

The City is considering the use of a payroll card program as an alternative to payroll checks for employees who do not have or do not use a bank account.

Required services include:

- a. Accept 100% of the City's employees,
- b. Provide administrative card management,
- c. Allow 100% withdrawal of employee's pay,
- d. Support marketing to City employees,
- e. Provide written instructional materials when employees signup,
- f. Offer a system linked to a wide ATM network (e.g. STAR, Cirrus, Plus, Maestro),
- g. Provide 24/7 telephone customer service for lost or stolen cards,
- h. Allow unlimited daily withdrawals, and
- i. Provide employees with a detailed monthly statement.

2.9 Service Group 8: Onsite ATMs

The City currently has a contract with an ATM provider and has two cash dispensing ATM machines onsite. Both ATMs are located in the Surprise Stadium at 15930 N. Bullard Avenue. The City also brings in three (3) to five (5) temporary cash dispensing machines throughout the year for special events. These temporary ATMs are secured using a LoJack® security system.

Required services include:

- a. Operate and maintain two cash dispensing ATMs within Surprise Stadium,
- b. Provide temporary cash dispensing ATMs for City events throughout the year, and
- c. Evaluate the feasibility of operating ATMs at other City locations.

2.10 Service Group 9: Armored Car Services

The City collects approximately \$96,000 on average each month at five (5) locations. The addresses of the pickup locations are found in Table 07 below. These funds are currently transported to the bank by armored car on a daily basis. Deposits are made using tamper-proof, single-use deposit bags. The City would prefer if the bank is willing to consider economical recyclable bags for deposit. The City currently does not order currency but may do so in the future.

Table 07: Armored Car Pickup Locations

Pickup Address	Pickup Frequency
16000 N. Civic Center Plaza	Daily
16080 N. Civic Center Plaza	Daily
15930 North Bullard Avenue	Daily

14250 W. Statler Plaza	Daily
15832 N. Hollyhock St.	Weekly

Required services include:

- a. Collect cash on a daily basis to be delivered to the bank, and
- b. Handle the City's currency and coin requirements, if needed

2.11 Service Group 10: Wholesale Lockbox Services (new service)

The City's ambulance service collects bill payments from both individuals and insurance companies. Health insurance providers make the majority, approximately 80%, of payments. With an increased number of insurance payments made electronically, The City needs a wholesale lockbox provider to process payments received by mail and electronically.

There are approximately 200 to 250 payments processed per month with total annual collections of \$900,000 to \$1,000,000. Invoices are generated by a third-party, Intermedix. From the remittance documents, the City needs to receive the patient names, insurance policy numbers, and the services provided.

Required services include:

- a. Process, including imaging, checks and remittance documents received,
- b. Provide online access to images of processed items and remittance documents,
- c. Provide online reporting and download of detail and summary of transactions including account numbers and payment amounts, and
- d. Provide exception item review and correction online.
- e. Meet the requirements imposed by the American Health Insurance Portability and Accountability Act of 1996 (HIPAA)

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3.0 Proposal Evaluation and Award

3.1 Evaluation Process

The City's Evaluation Committee will initially review and evaluate each Proposal received to determine the Proposer's ability to meet the requirements of the City. The evaluation criteria described in Section 3.2 will be the basis for evaluation. The criteria will be applied for each Service Group.

The Evaluation Committee will determine the Proposers best suited to meet the needs of the City based on the scoring of the evaluation criteria. These Proposers will form the "Proposer Short List."

The City, at its sole discretion, reserves the right to have finalist presentations with those Proposers on the Proposer Short List, or any other Proposer. Demonstrations will be conducted at City offices. Time limitations and demonstration requirements will be provided with the notification. Each Evaluation Committee member will score the demonstration.

The City may elect, at its sole option, not to conduct discussions or presentations with Proposers.

The City may request additional information or clarification of Proposals and hereby reserves the right to select the particular response to this RFP that it believes will best serve its business and operational requirements, considering the evaluation criteria set forth within Section 3.2.

3.2 Evaluation Criteria

The Evaluation Criteria in the following table is the basis by which each Proposal will be evaluated, measured, and ranked. The City hereby reserves the right to evaluate, at its sole discretion, the extent to which each Proposal received compares to the stated criteria. The recommendation of the Evaluation Committee shall be based on the evaluations using the criteria.

Table 08: Evaluation Criteria

Criteria	Description	Weight
Operational Requirements*	This criterion considers the ability of the proposed solution to meet the City's functionality needs. This includes the Proposer's understanding of the needs and operational requirements of the City and the ability to meet the specifications for the functional areas that are proposed.	30%
Transition*	This criterion considers the Proposer's quality and scope of conversion / implementation plan and considers the Proposer's approach to training and support. This criterion also considers the value of any new products or service suggestions or other new ideas and enhancements.	15%
Firm Experience*	This criterion considers the experience, resources, and qualifications of the Proposer and the individuals assigned to this account. This criterion also considers the Proposer's relevant experience managing similar relationships with other large governmental entities.	25%
Cost	This criterion considers the proposed fees and compensation	30%

*Final scoring for these criteria may be adjusted for Short Listed Vendors based on the results of the presentation, reference calls, site visits, or supplemental information requests.

The City intends to review cost proposals prior to the presentation to ensure the Short-List Vendors are within the City's budget planning.

The firm submitting the selected Proposal will be required to sign an agreement with the City based on their proposal. All parties who submit Proposals will be notified by mail of the City's decision regarding selection.

3.3 Negotiations and Contract Execution

The City reserves the right to negotiate the final terms and conditions of the contract to be executed. In the event the City and the Contractor(s) are unable to agree upon all contract provisions, the City reserves the right to cease negotiations, and select another Vendor, or to reject all Proposals.

3.4 Contracting Ethics

- 3.4.1 No elected official or employees of the City who exercise any responsibility in the review, approval, or implementation of the Proposal shall participate in any decision which affects his or her direct or indirect financial interests.
- 3.4.2 It is a breach of ethical standards for any person to offer, give, or agree to give any City employee or Council person, or for any City employee or Council person to solicit, demand, accept, or agree to accept from another person or agency, a gratuity or an offer of employment whenever a reasonable prudent person would conclude that such consideration was motivated by an individual, group, or corporate desire to obtain special, preferential, or more favorable treatment than is normally accorded the general public.
- 3.4.3 The Vendor shall not assign any interest in this contract and shall not transfer any interest in the same without the prior written consent of the City.
- 3.4.4 The Vendor shall not accept any private client or Project that may place it in ethical conflict during its representation of the City.
- 3.4.5 By submitting their proposals, Proposers certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present, or promised, unless consideration of substantially equal or greater value was exchanged. Vendors shall complete an Affidavit of Non-Collusion Form as contained in Attachment C.

3.5 Disposition of Responses

All materials submitted in response to this RFP will become the property of the City and will become public record after the evaluation process is completed and an award decision made. If the Proposer submits information in response to this RFP that it believes to be trade secret materials, as defined by Arizona state statute, notice must be provided therein.

- Clearly mark all trade secret materials in its response at the time the response is submitted.
- Include a statement with its response justifying the trade secret designation for each item and defend any action seeking release of the materials it believes to be trade secret, and indemnify and hold harmless the City, its agents and employees, from any judgments or damages awarded against the City in favor of the party requesting the materials, and any and all costs connected with that defense. This indemnification survives the City's award of a contract. In submitting a response to this RFP, the Proposer agrees that this indemnification survives as long as the trade secret materials are in possession of the City. The City is required to keep all the basic documents related to its contracts, including responses to the RFP as required by the State of Arizona Records Retention Schedules.

The City will not consider the prices submitted by the Proposer to be proprietary or trade secret materials.

Responses to this RFP will not be open for public review until the City decides to pursue a contract and that contract is awarded.

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4.0 Submittal Response Format

4.1 General Instructions

It will be the sole responsibility of the Proposer to submit its Proposal to the City before the closing deadline. Late Proposals will not be considered and will be returned unopened to the Proposer.

The City reserves the right to reject any or all Proposals or parts of Proposals, to accept part or all of Proposals on the basis of considerations other than lowest cost, and to create a project of lesser or greater expense than described in this RFP or the respondent's reply based on the component prices submitted.

The City reserves the right to cancel this solicitation or to change its scope if it is considered to be in the best interest of the City. The City reserves the right to waive irregularities in the Proposal content or to request supplemental information from Proposers.

The following instructions must be followed by Proposers submitting Proposals:

1. The deadline for Proposal submissions is established in Section 1.7, RFP Schedule of Events. The Proposal deadline is December 1, 2015 at 4:00 p.m. Arizona Time.
2. Proposers shall submit seven (7) hard copies of the Technical Proposal and seven (7) hard copies of the Cost Proposal under separate covers to the City at the address contained in Table 09. One (1) hard copy of the Technical Proposal and one (1) hard copy of the Cost Proposal should be clearly marked as the "Original," and the remaining copies should be clearly marked "Copy" and sealed.
3. Technical Proposals should be provided in three-ring binders with tab separators. Technical Proposals shall not include extraneous marketing materials.
4. Proposers shall submit one (1) electronic version of the Technical Proposal and one (1) electronic version of the Cost Proposal on a USB drive to the City along with hard copy Proposals. All Worksheet Attachments provided as part of this RFP package shall be provided in MS Excel format. All Forms Attachments provided as part of this RFP package shall be provided in MS Word format. All other materials submitted shall be provided in searchable Adobe PDF format.
5. Proposers shall submit two (2) hard copies of the Technical Proposal and two (2) hard copies of the Cost Proposal under separate covers to PFM Asset Management LLC at the address in Table 09. Proposers shall send one (1) electronic version of the Technical Proposal and one (1) electronic version of the Cost Proposal on a USB drive to PFM Asset Management LLC at the address in Table 09. All Worksheet Attachments provided as part of this RFP package shall be provided in MS Excel format. All Forms Attachments provided as part of this RFP package shall be provided in MS Word format. All other materials submitted shall be provided in searchable Adobe PDF format.
6. Mailed Proposals shall be clearly labeled on the outside of the packaging with the Proposer's name, address, RFP Title and RFP Number.
7. The mailing address for Proposals is contained in the following table.

Table 09: Proposal Mailing Addresses

City Mailing Address	Consultant Mailing Address
City of Surprise Attn: Purchasing Division 16000 N. Civic Center Plaza Surprise, AZ 85374 (7 hard copies, 1 electronic)	PFM Asset Management LLC Attn: David Calvert One Keystone Plaza, Suite 300 North Front & Market Streets Harrisburg, PA 17101 (2 hard copies, 1 electronic)

8. The following table contains the organization guidelines for Proposal responses.

Table 10: Technical Proposal Organization Guidelines

Proposal Tab No.	Technical Proposal Section	RFP Sec. No.
Tab 1	Transmittal Letter and Executive Summary	4.2
Tab 2	Qualification and Experience	4.3
Tab 3	Key Proposed Personnel and Team Organization	4.4
Tab 4	Service Group 1: General Banking	4.5
Tab 5	Service Group 2: Institutional Custody	4.6
Tab 6	Service Group 3: Purchasing Card / Integrated Payables	4.7
Tab 7	Service Group 4: Retail Lockbox Services	4.8
Tab 8	Service Group 5: Bill Printing & Mailing Services and Online Collection Services	4.9
Tab 9	Service Group 6: Merchant Card Processing	4.10
Tab 10	Service Group 7: Payroll Cards	4.11
Tab 11	Service Group 8: Onsite ATMs	4.12
Tab 12	Service Group 9: Armored Car Services	4.13
Tab 13	Service Group 10: Wholesale Lockbox Services	4.14
Tab 14	Control	4.15
Tab 15	Implementation / Conversion	4.16
Tab 16	New Services & Ideas	4.17
Tab 17	Sample Contract	4.18
Tab 18	Pricing	4.19
Tab 19	Sub-Contracting	4.20
Tab 20	References	4.21
Tab 21	Exceptions to Terms and Conditions	4.22
Tab 22	Attachments	4.23

4.2 Transmittal Letter and Executive Summary

The first tab of the Proposal should contain the Transmittal Letter and Executive Summary. The Transmittal Letter shall be signed by an authorized representative of the company such as the owner, partner, or in the case of a corporation, the President, Vice President, Secretary, or other corporate officer(s) that is permitted to contract on behalf of the organization.

The Transmittal Letter must provide the Proposer's primary contact information, including the following:

1. Name of the Proposer representative
2. Title
3. Name of company
4. Address
5. Telephone number
6. E-mail address and
7. Signature of authorized officer of the firm

The Transmittal Letter shall be printed on the Proposer's letterhead.

A signature on the Transmittal Letter hereby provides the City acknowledgement and acceptance of the "Conditions" and the execution of same during the discharge of any succeeding contract. It shall be clearly understood that by submitting a Proposal in response to this solicitation, a Proposer shall be deemed to have accepted all specifications, terms, and general conditions and requirements set forth in these specifications, terms, general conditions, and requirements unless otherwise clearly noted and explained in this RFP.

The Executive Summary should provide a brief summary of the Proposal contents, emphasizing any unique aspects or strengths of the Proposal. The Executive Summary may be incorporated as part of the Transmittal Letter.

Tab 1 should not exceed six (6) pages.

4.3 Qualification and Experience

The second tab of the Proposal should include a comprehensive narrative history of the firm, including the development of its experience in providing services similar to those described in Section 2.0, Scope of Services.

The following points should be addressed in the second tab of the Proposal.

1. Provide a general overview and brief history of your organization, including parent and/or subsidiary companies and number of employees.
2. Provide the address of the office that will cover the City's account for each Service Group you are proposing to provide.
3. Describe the experience of the firm in providing similar services for other governmental entities.
4. Complete the following table with current credit ratings by Standard & Poor's Rating Services and Moody's Investor Services. If the Offeror is not rated by these rating organizations, provide other evidence of the firm's financial strength and compliance.

Table 11: Credit Ratings

	Standard & Poor's Rating	Moody's Investor Services
Firm		
Short-Term Unsecured Senior Debt		
Long-Term Unsecured Senior Debt		

5. Discuss the firm's current capital structure, adequacy, and coverage. Please provide the following statistics for the last reporting period:
 - i. Total Risk Based Capital Ratio: _____
 - ii. Tier 1 Risk-Based Capital Ratio: _____
 - iii. Tier 1 Leverage Capital Ratio: _____
6. Include an **electronic copy** of the most recent audited annual financial statements on the USB flash drive included in the RFP response submission.
7. Provide the bank's Community Reinvestment Act (CRA) rating.

If a partnership with third-party companies is a part of a Proposal, the company background and history shall be provided for all third-party companies. It is expected that all of the points above shall be addressed for each company involved in a Proposal, prime or third-party.

4.4 Key Proposed Personnel and Team Organization

The third tab of the Proposal should include the resumes of the proposed Project personnel, as well as, the structure of the proposed Contractor Project Team. It is essential that the proposer provide adequate experienced personnel, capable of and devoted to the successful accomplishment of the work to be performed. The Vendor agrees that those persons identified in their Proposal shall not be removed or replaced without a written request to and approval from the City. The resumes and structures shall be provided for the implementation team as well as the personnel involved in live operation and ongoing support and maintenance. The City reserves the right to require that background checks be conducted on any individual conducting work as either an employee of the Vendor, or on the Vendor's behalf.

The following points should be addressed in the third tab of the Proposal.

1. Provide the name, title, address, phone number, fax number, and email address of the primary contact person(s) assigned to this account.
2. Name the individuals who will work with the City on a day-to-day basis. Please name the individual responsible for each proposed Service Group. Information must include:
 - i. Proposed role with regard to the City's account (indicate which Service Groups they are responsible for);
 - ii. Biographical information;
 - iii. Experience working with other governmental entities;
 - iv. Number of years of experience in this field;
 - v. Number of years with your firm;
 - vi. Please indicate the number of governmental clients the proposed relationship manager gained and lost over the last three years.
3. Describe your firm's policy on changing the primary contact person on an account.
4. Customer Service
 - i. Will a specific customer service representative or a customer service department be assigned to handle day-to-day transactions for the City?
 - ii. Describe the responsibilities of the customer service personnel, including the chain of command for problem resolution.
 - iii. What are the hours of operation of each customer service unit involved in supporting the proposed services? Please specify the hour for each Service Group you are proposing to provide.
 - iv. If an error is discovered by the City, how would you propose to resolve it (i.e. who should the City contact first, etc.)?
5. After the initial transition, will the primary contact person be willing to attend on-site meetings with City staff?
6. How often will the primary contact person attend on-site meetings with City staff?

7. Describe your proposed customer relationship approach and describe a typical meeting agenda for on-site meetings.
8. IT Resources: Will the firm provide dedicated IT liaison(s) to work on set-up, file transfer, testing, and troubleshooting / issue resolution? During what hours is technical support available? (specify time zones).

4.5 Service Group 1: General Banking

(Only firms proposing for Service Group 1 should respond to this section)

1. Deposit Processing
 - i. Provide a listing of bank branches located within 15 miles of 16000 N. Civic Center Plaza, Surprise, Arizona.
 - ii. Can the bank provide discounted armored car services (directly or indirectly) to the City? Do you have a preferred or recommended armored car service? Please include the pricing.
 - iii. For deposits collected and transported by armored car, what bank location do you propose for the City's armored courier to deposit funds for processing?
 - iv. What is the ledger cutoff time for deposits?
 - v. What type of deposit bags does the bank allow/require? Can these bank supplies be ordered through the bank? Does the bank charge a fee for these bags? If so, is the fee a pass-through charge or is it marked-up? Are there any economical recyclable options available to the City to choose?
 - vi. What is the limit, if any, on the number of deposit tickets that can be included in one deposit bag?
 - vii. Does the bank accept loose and/or rolled coin for deposit at branch locations?
 - viii. How are deposits credited? Are items immediately verified? If provisional credit is given, when does verification take place? If the bank corrects a deposit, how will the City be informed of this change (i.e. phone call, online notification, fax, e-mail)?
 - ix. Are deliveries of change and currency orders available via the armored car service? If so, explain timelines and procedures for placing change and currency order requests. If not, please explain procedures for acquiring change and currency.
 - x. Do you offer the ability to deposit currency into "remote cash safes"? Are currency deposits credited to the City's bank account on a same day basis? What are other advantages of using a remote cash safe? What fees or costs would apply?
 - xi. Describe the firm's deposit reconciliation services. How are daily deposits reported?
2. Branch Services
 - i. Will the bank cash the City's checks without charge to either the City or the check payee? If not, what is the charge? Is a check cashing agreement required? If yes, include a copy.
3. Remote Deposit Capture ("RDC")
 - i. Describe the bank's ability to process checks by RDC.
 - ii. Is there a limit on the number of checks that can be contained in a single deposit?

- iii. Describe the storage features, including length of time images are stored, available for viewing and printing features.
- iv. How will the City be notified of deposit corrections and/or adjustments?
- v. If the City decides the use the bank's RDC software and technology, what RDC equipment would the bank recommend? Please indicate how many items these machines can handle. What is the price for this equipment? Is your firm willing to offer any equipment at no cost to the City?
- vi. Does the bank's RDC technology use Intelligent Character Recognition to "read" the check amount? If so, does the system recognize both the courtesy amount and the legal amount of the check?
- vii. Can checks be automatically endorsed with the bank's RDC service? Is the automatic endorsement an electronic image or printed on the check?
- viii. Can the bank's software process both ACH and IRDs on the same equipment? How does the bank's software determine the optimal clearing mechanism?

4. Returned Item Processing

- i. Can returned items be automatically redeposited? If so, how many times and at what cost?
- ii. Does the bank offer Represented Check Entries ("RCK") services?
- iii. Can the bank provide a detailed return item transmission to the City? Can this report identify the payer's name, depositing location, deposit date, and type of item being returned?
- iv. Can the bank provide online access to electronic images (back and front) of returned items to the City? How soon after an item is returned can these images be accessed?

5. Availability of Deposits

- i. How does the bank determine and calculate availability of deposited items?
- ii. Does the bank give immediate availability for on-us items?
- iii. Provide a copy of the availability schedules the bank proposes to use for the City, including branch deposit, vault, and RDC. How many availability schedules are offered to the bank's customers? Are the schedules offered to the City the best schedule offered to any customer? If not, quantify the difference and explain how the City may obtain the bank's best availability schedule.

6. Check Disbursements / Positive Pay

- i. Does the bank offer Positive Pay and Payee Positive Pay? Is there an additional charge for Payee Positive Pay versus Positive Pay?
- ii. What are the options for transmitting check issuance information to the bank?
- iii. What is the deadline for the transmission of check issuance files to the bank?
- iv. How frequently can transmission files be uploaded to the bank for the issuance of additional checks, and/ or recently voided items? Is there a limit to the number of files per day?
- v. Does the bank offer the ability to manually enter one-time check disbursements issued during the day outside of the regular batch file? How quickly will the teller line receive this information?
- vi. Does the bank provide automatic file receipt acknowledgements?

- vii. How will the City be notified of exception items? Can an e-mail notification be sent to specific users alerting them that there is an exception item to review?
- viii. Will an image of the exception item be available for viewing in the e-mail or would the user be required to log-into the bank's website?
- ix. How is payee information captured from the physical checks? What steps does the bank take to prevent exceptions being flagged due to erroneous capture of payee information?
- x. At what time will the City receive the information on exception items? How much time will the City have to review discrepancies and notify the bank to accept or reject? Does the bank offer a "do not pay" default?
- xi. Will stale-dated checks be reported as exception items?
- xii. Is Positive Pay required for all demand deposit accounts, even on accounts with no check writing functionality? Can accounts be designated as "post no checks" to prevent potential fraud? What is the cost to make this account designation?
- xiii. Is Teller Positive Pay available? How long does it take for check issuance information to be available to tellers?

7. Stop Payments

- i. What term options are available for stop payments? Does the fee for a stop payment vary based upon term? Please list fees for all term options.
- ii. Are stop payment requests effective immediately? If not, how long does it take for a stop payment request to become effective?
- iii. Will the system automatically verify if a check has been paid before processing the stop payment request?
- iv. Can stop payments be automatically renewed? If so, for how long? What are the associated fees for each renewal, if any?

8. ACH Processing

- i. What ACH file transmission options are available?
- ii. What are the transmission deadlines for same day, one day, and two day ACH files? When does the bank need the file from the City for payments to be made by 8 a.m. Arizona Time on Friday morning? When are funds debited from the City's accounts?
- iii. Will the bank establish a minimum ACH exposure limit of \$1.5 million for the City's day-to-day operations?
- iv. Discuss the bank's methodology for determining debit and credit exposure limits.
- v. What would happen to an ACH file if the City exceeds its daily exposure limit?
- vi. Does the bank accept both debits and credits on the same file? If so, discuss any additional requirements.
- vii. Can transaction be added online for future processing dates? What is the bank's maximum retention period for future dated transactions?

- viii. What controls are in place to protect against lost files and duplicate transmissions?
- ix. Does the bank provide automatic file receipt acknowledgements? Is so, how is the acknowledgement transmitted?
- x. Is the City required to submit a control total for an ACH batch? How would the City communicate ACH control totals to the bank (i.e. phone, online, e-mail)?
- xi. How are returned and rejected ACH transactions handled? What information does the bank provide to assist in identifying returned and rejected ACH transmissions? When is this information available?
- xii. Describe the financial institution's ability to block unauthorized ACH debits. If the bank provides ACH debit blocking, what level of filtering can be applied (originator, originator & dollar amount, etc.)?
- xiii. With ACH debit blocking, does the bank notify the City of attempts to debit funds that have been automatically rejected?
- xiv. Does the bank offer ACH Positive Pay (ability to make pay / no pay decisions on unidentified ACH transactions)?
- xv. Does the bank offer Universal Payment Identification Codes (ability to mask account numbers to reduce the risk of unauthorized direct debits)?
- xvi. What detail about incoming ACH transactions can be viewed online (i.e. CCD and CTX). How can the City gain access to this Addenda information?

9. Wire Processing

- i. Describe the process of initiating wires transfers (online, by phone, other)
- ii. What is the cutoff time for same day wire transfers?
- iii. If wire transfers can be initiated online, describe the system's security features. Can varying degrees of authorization be set (i.e. multiple authorizers, maximum dollar amounts, etc.)?
- iv. Please describe the process of initiating international wire transfers to Canada. *(Note: These are infrequent transfers made on behalf of the Canadian Economic Development Initiatives.)*

10. Foreign Transactions (mainly Canadian and Mexican items)

- i. How are currency rates determined? When will the City be notified of the applicable currency rate? Are conversion rates different based upon the size of the transaction? Does the process differ based on the type of deposit (i.e. currency/coin, check, wire transfer)? If, so describe the differences?
- ii. How quickly will the City's accounts be credited with available funds for international currency/coin and check deposits?
- iii. Are there any transaction fees involved for converting currency?

11. Intra-Bank Account Transfers

- i. Describe the process of initiating an intra-bank account transfer.

- ii. What is the cut-off time for same-day intra-bank account transfers?

12. Statements & Documents

- i. How soon after the cut-off date are the following items ready?

Table 12: Item Availability

	Online	By Mail
Bank Statements		
Full Reconciliation Information		

- ii. What technology options would you recommend the City use for archiving historical data and associated cost?
- iii. Are electronic images stored on the bank's online reporting system? If so, how does the bank charge for this service (per item viewed/ per item loaded)? Is there a difference in price for deposited items versus disbursement items?
- iv. How long are electronic images for deposited and disbursement items stored on the reporting system and available for customer access? Are longer retention options available? If so, what are the costs for longer retention periods?
- v. Can historical images be sent by transmission to the City for archival purposes (i.e. a full fiscal year)? If so, please describe. What is the cost to obtain this archival data?

13. Online Reporting System

- i. Are there limits on the number of City users that could have access to the bank's online website? (Approximately 15 employees have online access to the current system.) Are there extra fees for additional users?
- ii. What levels of authorization (i.e. accounts view, transaction capabilities, etc.) can be permitted or turned off for individual users?
- iii. Can the City designate administrators? What capabilities and functionalities do administrators have (i.e. adding new users, removing users, settling authorization levels, etc.)?
- iv. What transaction types are reported in previous day reporting? What previous day reports are available? Is complete wire addenda information included in prior day reports? Provide samples of previous day balance and transaction reports.
- v. Can the City have previous day reporting without enrolling for current day reporting? What information would not be available?
- vi. Does the bank's deposit reporting system report electronic transactions (e.g. ACH, wire) as well as paper documents?
- vii. What time is previous day information available?
- viii. In what file formats can data be downloaded? Can activity be downloaded into Excel?
- ix. Please complete the following table indicating how long each item is available? Differentiate between the standard term and the terms available for an additional fee.

Table 13: Term of Report Availability

	Standard (included at no additional cost)	Optional Terms Available
Prior Day Reporting		
Monthly Account Statements		
Disbursement Items		
Items Deposited with RDC		

- x. Can electronic reports be customized by users within the bank's online platform? Can these customized reports be saved? Can the templates be shared with other users?
- xi. Can electronic reports be scheduled to be generated automatically and e-mailed to designated users?
- xii. If available, provide access to an interactive demonstration of the bank's online reporting capabilities.
- xiii. Describe any mobile applications that you offer for smartphones or tablets. What banking services can be completed using these applications?
- xiv. Describe any recent or upcoming major upgrades to your online reporting system.

14. Reconciliation Services

- i. Does the bank offer full Account Reconciliation Program (ARP) services? Please discuss options.
- ii. What report options are available for full reconciliations? Provide sample reports.
- iii. Describe the bank's deposit reconciliation services. How are daily deposits reported?
- iv. Are the reconciliation systems integrated for check, ACH, and wire transfer? If so, describe. If not, discuss any plans to do so.
- v. Describe how reconciliation data would be transmitted to the City? What data elements are available?

15. Earnings Credit Rates

- i. Does the City have the option of paying the bank by "hard dollars" or compensating balances? Is the pricing the same for either option? If not, what is the difference?
- ii. How is your bank's earnings credit rate determined, adjusted, and applied? Please include in the explanation the impact of the bank's reserve requirement, the formula for converting service charges to balance requirements.
- iii. Does a reserve requirement apply on balances?
- iv. Will the bank assess any balance based charge (FDIC-like, FICO, or other) to the City? If so, what is the current charge for an entire year on a \$1,000,000 balance? How is this charge computed? Is this charge assessed on ledger or collected balances?
- v. Provide investment return history for the 36-month period from July 2012 through June 2015. Please provide the earnings credit rate for each month.

- vi. What is the bank's current earnings credit rate? Are you willing to lock in a "floor" earnings credit rate? If so, how long?
- vii. Can "excess" earnings credit be carried forward to cover charges in the following month? Is there a limit on how far forward excess earnings credits can be carried?

16. Overnight Investment Option or Interest Bearing Bank Deposit

- i. What short-term investment vehicles(s) or interest bearing account does the bank propose to use for the overnight investment or sweep of the City's demand deposit accounts?
- ii. Does a reserve requirement apply to the proposed option?
- iii. Does an FDIC assessment, deposit based fee, or similar fee apply to the proposed option?
- iv. Provide investment return history for the 36-month period from July 2012 through June 2015 for each option proposed. Show the yield for each month.
- v. If a sweep is proposed, what time of day is the sweep deadline? Is it end-of-day or next-day sweep?
- vi. What fee (if any) is charged to sweep funds into the proposed investment vehicle(s)?
- vii. If the bank is proposing a money market mutual fund, provide a copy of the current prospectus and, if multiple classes are offered, identify the proposed class of shares, including ticker symbol or CUSIP.

17. Account Analysis Statements

- i. Please provide a sample analysis statement. How soon after month-end is the analysis statement available? Are these statements available online and what format(s) are available for downloading?
- ii. Can Association for Financial Professionals (AFP) Service Codes be included on the analysis statement? If not, do you offer another report that provides this information?
- iii. Are account analysis statements available online? How many prior months are available? Can the account analysis details be downloaded into Microsoft Excel?

18. End-of-Day Overdrafts

- i. What are the fees and interest charges associated with overdrafts? How are these charges calculated?
- ii. Is there a fee per check or per occurrence when there is an overdraft? If so, what is it?
- iii. Is there a daily cap on fees? If so, what is it?

19. Daylight Overdrafts

- i. Describe the bank's policies concerning daylight balance overdrafts. Indicate whether this is applied to each individual account or across all accounts of a client relationship?
- ii. Is wire transfer processing stopped when the intra-day limit is reached?
- iii. If the bank incurs a daylight overdraft charge from the Fed, will it pass this charge on to its customers? If so, how (e.g. intra-day loan, daylight overdraft facility fees)? How is the charge allocated among customers?

4.6 Service Group 2: Institutional Custody

(Only firms proposing for Service Group 2 should respond to this section)

1. Confirm that the bank will provide custody through the bank's trust department.
2. List the total number and market value of institutional custodian accounts as of December 31 for the following years: 2013, 2014, and 2015.
3. Describe your firm's history and experience of providing custody services.
4. Describe your organization's commitment to providing custody services.
5. What office or location will provide custody services for the City?
6. Provide the cut-off times for notification of a transaction settling same day.
 - i. Fed Book
 - ii. DTC
7. When does the bank credit interest, dividends, and maturities?
8. Are security transactions settled on an actual or contractual basis? If the settlement is on an actual basis, how will the bank compensate the City for fail float?
9. Describe any sub-custodial arrangements that would be used for **domestic, fixed-income securities** belonging to the City, if applicable. Include a description of the arrangements used for the delivery of physical securities.
10. If the City is depositing additional funds into the custody account, what notification by the City is required? If notification is required, what methods can the City use to notify your firm about incoming wires (phone, e-mail, fax, online)? Will the bank confirm the receipt of the wire? How will this confirmation occur (phone, email, fax, online)?
11. Describe the process the City would follow to wire funds from the custody account to its main depository account at another bank. What methods can the City use to instruct your firm to initiate outgoing wires (phone, e-mail, fax, online)?
12. Reporting
 - i. Describe the frequency and format of custody reports that the bank would provide to the City. Include sample reports.
 - ii. Does the bank provide information to clients through an online inquiry/reporting service? Describe the information available (e.g. pending trades, asset list by account, transaction history). Are customized reports available? Is there an additional charge for customized reports?
 - iii. How many days after month-end is reporting available?
 - iv. What pricing sources does the bank use for market valuation of securities?
 - v. Can information be exported to Microsoft Excel? Please describe.
 - vi. What is the lag time between trade execution, availability of online transaction data, and the settlement of the transaction to the bank's reporting system?
13. Overnight Investment Sweep

- i. What short-term investment vehicles(s) does the bank propose to use for the overnight sweep in the City's custody accounts?
- ii. Does a reserve requirement apply for the proposed overnight sweep option?
- iii. What time of day is the cash sweep deadline? Is it end-of-day or next-day sweep?
- iv. Provide return history by month for the thirty-six month period of July 2012 through June 2015.
- v. What applicable fee (if any) applies for funds swept into this investment vehicle? How is the fee calculated?
- vi. If the bank is proposing a money market fund, provide a copy of the current prospectus and, if multiple classes are offered, identify the class of shares, including ticker symbol or CUSIP, of which is being proposed.

4.7 Service Group 3: Purchasing Card / Integrated Payables
(Only firms proposing for Service Group 3 should respond to this section.)

1. Purchasing Card Program

- i. What card platform(s) does your program employ (e.g. MasterCard, Visa, American Express, or other)? Why? If more than one is used, which would you recommend for the City and why?
- ii. Provide an overview of software/web based card program management system that supports the firm's purchasing card program.
- iii. Is the software/ web based card program management system wholly owned by your institution? If not, please specify the owner of the software/ web based card program management system.
- iv. Can purchasing card transactions be limited to a preferred vendor (i.e. Home Depot), while other vendors in the same MCC code (i.e. Lowe's) are declined?
- v. Do you offer a fleet card for fuel purchases? Does your card program automatically deduct or rebate federal fuel excise taxes back to the City?
- vi. Program Administrator
 - 1.6.1 What capabilities and functionalities do Program Administrators have (i.e. adding new cardholders, adjusting credit limits, reviewing activities)?
 - 1.6.2 Will Program Administrators be able to adjust restrictions and controls on individual cards?
 - 1.6.3 How will Program Administrators make changes to cardholder limits/restrictions (online, by phone, in writing)? How long will it take the changes to be effective?
 - 1.6.4 What is the procedure for requesting additional cards?
 - 1.6.5 Do all purchasing cards require activation upon receipt and prior to first use? *(Note: This is the City's preference. All purchasing cards include new cards, replacement cards due to expiration, and replacement cards due to fraud or prior card being reported lost or stolen)*
 - 1.6.6 Will the City's Program Administrators have a dedicated customer service team to handle requests and service needs? What are the normal business hours of this team? Will it be 24/7/365? Where is the call center located?
- vii. Reporting

- 1.7.1 Describe the online reporting provided to cardholders and administrators. What information is included in the standard report format? Provide sample reports.
- 1.7.2 Does the online reporting system provide real time information on transactions? If not, how long does it take transaction data to become available?
- 1.7.3 Describe the electronic data available online that can be downloaded. In what format is information available? Can individual transactions be automatically coded for entry in the City's accounting system? Can charges be broken down by card numbers and a department number?
- 1.7.4 Describe how the system can help the City automate the workflow and approvals process. Please be specific.
- 1.7.5 Do you provide Taxpayer Identification Numbers (TIN)?
- viii. Expense Reporting Module
 - 1.8.1 Do you offer an expense reporting module that allows users to identify and code charges for automatic entry into the City's general ledger?
 - 1.8.2 Can this expense reporting module be customized to reference the City's general ledger account numbers? Can charges be broken down by card number and a department number?
 - 1.8.3 Can transactions be split and code to multiple general ledger accounts?
 - 1.8.4 Can receipt image be uploaded into the expense reporting module? If so, how?
 - 1.8.5 Does your firm offer a mobile application to upload receipt images? If so, what is the process for this type of application?
 - 1.8.6 Can employee out-of-pocket expenses be added to the expense reporting module? How will the City obtain the information on how much these employees should be repaid?
 - 1.8.7 Is there an expense approval process?
 - 1.8.8 Does the expense reporting module send reminders or management reports to encourage the timely submission of expense reports?
 - 1.8.9 Please provide sample screen images of these features?
 - 1.8.10 Are there any costs to the City for the expense reporting module?
- ix. What are the liabilities of the City and employees in the event of fraud, abuse, or loss of a card?
- x. For employees using the card for travel expenses, what additional protections (i.e. lost baggage protection) are provided?
- xi. Discuss settlement terms.
 - 1.11.1 What billing cycles are available?
 - 1.11.2 How will the City receive billing statements?
 - 1.11.3 What are the payment terms from "statement date"?

xii. Rebate Schedule

1.12.1 Please provide a rebate schedule for card activity at various usage levels up to \$25 million, include details.

1.12.2 Please describe any other factors, such as average transaction size, etc., that affect the rebate amount.

1.12.3 Please describe how speed of payment is calculated.

2. Electronic Payables

- i. Describe the bank's capabilities and experience with purchasing card and electronic payable solutions.
- ii. Describe the bank's involvement with the payment process. Discuss in detail any files that the City would need to prepare or transmit to the bank.
- iii. How does your electronic payables solution determine the optimal time and method (merchant card, ACH, check) to pay invoices? Include in your response, a description of the client's ability to make this determination or to weight preferences for payment type. Please list how any vendor (merchant) discounts are considered when evaluating preferences.
- iv. Describe how vendor payments made by card are initiated. Are ghost cards or one-time use cards used for payment?
- v. Describe how suppliers receive the card number to process payment. If an email is sent, please provide an example of the correspondence sent.
- vi. Describe how vendor payments made by ACH are initiated? Does your firm assign a vendor code or do you transmit ACH instructions for the City to use when preparing an ACH file? Identify who has responsibility for maintaining the supplier's routing and account number. If the firm maintains this information, identify the process used to request and share this information with designated City personnel.
- vii. Do you offer a Buyer Initiated Payment (push pay) Program? If so, please provide an explanation of how this service would operate. Does a different rebate schedule apply?
- viii. Identify how authorization limits are determined or changed.
- ix. If the supplier reverses a payment, identify the impact on the available balance for the card.
- x. Who retains ownership of the vendor payment information (i.e. contact person, e-mail, address, phone number)?
- xi. Discuss your approach in recruiting vendors on the City's behalf to your firm's integrated payables platform.
- xii. What are the steps for signing up a vendor?
- xiii. Identify the number of suppliers your institution currently has enrolled.
- xiv. If a supplier is already enrolled with your integrated payable platform, describe the process for the City to pay that vendor electronically.
- xv. Who makes outbound phone calls to vendors (i.e. employees of your firm or a third-party)?

- xvi. How many professionals are on the vendor outreach teams?
- xvii. For these individuals, what percentage of their time is dedicated to vendor outreach calls or activities?
- xviii. Will a specific individual or a team of individuals be assigned to the City?
- xix. Is the vendor outreach team powered to sign up the vendor or is it handed off to another department?
- xx. How quickly do you anticipate reaching out to the City's vendors? How many vendors do you plan to reach out to in 3 months? In 6 months?
- xxi. Please identify the number of vendors, transaction and dollar amount of vendors that you think will likely accept the City's purchasing card program. Please qualify the number of these identified vendors that you can have set up for Card payment within 6 months and 12 months. *(Sample Payment Vendor List will be provided upon the City's receipt of a signed Notice of Intent to Submit a Proposal (Attachment E)).*
- xxii. Please provide two specific examples of a successful implementation for a client. What were the organization issues, solutions, and results of this implementation?
- xxiii. How does the bank handle the resolution of payment disputes?
- xxiv. Please disclose all fees and charges for the electronic payables solution.

4.8 Service Group 4: Retail Lockbox Services

(Only firms proposing for Service Group 4 should respond to this section)

- 1. Describe the firm's ability and experience in providing retail lockbox services.
- 2. Where will retail lockbox items be processed?
- 3. Can an Arizona P.O. Box be used? If so, is there an additional cost? Would there be additional mail float time?
- 4. What was the average monthly volume for your retail lockbox operation by location during the last twelve months (items, dollars, number of lockboxes and number of customers)?
- 5. What is the ledger cut-off time for retail lockbox deposits for the firm of first deposit (Include weekends and holidays)? What is the latest mail pickup to be included in the current day's deposit? Will you process and deposit all of City's payments on the same ledger day as received? If not, when are these items deposited?
- 6. Describe the lockbox department's processing workflow. Include a schematic or flow chart of the processing procedures.
- 7. How are checks processed for collection? Can checks be converted to ACH? If so, are there any advantages for this option (i.e. lower processing costs, decreased float).
- 8. Describe your procedures for the capture and transmissions of remittance details such as account or bill number.
- 9. If a payment is misapplied (i.e. a customer brings in a cancelled check, but the payment wasn't applied to their account), how can the firm help or what resources are available in researching this payment?

10. In what standard formats does the firm transmit? Please confirm that the firm can transmit in BAI2 or ANSI format. How will this information be transmitted (website, file transfer, etc.)? What time will this information be available to upload to the City's billing system for current day activity?
11. What specifications for the remittance documents are recommended to minimize errors and reduce lockbox processing costs?
12. Describe the firm's procedures for processing exception items. Do you offer same-day online decisioning of exception items? Please describe and show a sample screen shot of this feature.
13. If a payment is received without the remittance document, does the firm offer any technology that can aid in determining the customer account?
14. Describe the firm's solution for processing payments from "bill payer" systems that do not include standard remittance documentation (i.e. elockbox solutions).
15. Can you provide daily images of all checks and remittance documents? If so, in what formats? (e.g. online, CD-ROM). How long are online images accessible?
16. If correspondence or other non-payment documents are included in payment envelopes, how will these documents be transmitted to the City?
17. For a given day's lockbox activity, at what time of day can you report the total amount that will be credited to the City's account?
18. If selected as a finalist, can the City tour your lockbox operations?
19. Provide a copy of the availability schedule the firm proposes for items deposited through the retail lockbox.

4.9 Service Group 5: Bill Printing & Mailing Services and Online Collection Services

(Only firms proposing for Service Group 5 should respond to this section)

1. Describe your firm's experience and proposed project staffing experience with utility bill printing and mail services? Are any services outsourced to a third-party?
2. How many employees are dedicated to bill printing and mailing services (provide a detailed breakdown on the number of resources dedicated to product activities, including development, testing, training, help desk, professional services, sales and marketing, management)?
3. From what location do you propose to generate bills and invoices? How long has this location been providing bill printing and mail services? How many employees work at this location? How many bills are currently processed at this location? Can this location handle the City's volumes with existing resources?
4. What time does your firm need to receive billing information to ensure that all bills will be printed and enter the mail stream by the close of business the same day?
5. Do you foresee a secondary location being used for the City's bills (i.e. maintenance, extraordinary volume, etc.)? If yes, what location?
6. What Post Office will mail be delivered to? What is the anticipated delivery time to City customers?
7. For data transmitted by the City, what file formats can you accommodate?
8. Can inserts be included with specifically targeted bills? Describe the process for inclusion. How far in advance does your firm need to receive inserts for inclusion? What is your preferred method of receiving inserts (drop-off, courier, USPS)?

9. Provide information concerning general organization and proposed project staffing experience in utility bill printing and mailing services for both privately owned and municipal water utilities of similar size and complexity.
10. Are you capable of consolidating statements with the same customer name and address in the same envelope (i.e. group mailing)? If so, describe.
11. What processes are used to ensure that the City receives the lowest postal rates possible? Would these processes be performed by the City or your firm? What is the current best available postage rate per piece?
12. What staff or technical resources will the City have to provide during start-up and over the course of the contract term?
13. If the City desires to make modifications to the billing format in the future, how will this be handled? Will there be additional costs?
14. Can bills be electronically imaged and archived? How will the City access these images? Is imaging a recommended or industry practice?
15. What regular performance statistics (number of files received, bills sent out, turnaround time, etc.) can you provide to the City?
16. Describe the process for keeping a printed bill from being mailed? Can this be done for a single bill or only a group of bills? Can this be done online? (*This would only be done under extraordinary circumstances.*)
17. Online Collection Services – One-time Payments
 - i. Does the firm/processor offer a secure internet gateway that can integrate the payment function with the City's current website?
 - ii. Do you offer an interactive voice response (IVR) payment option?
 - iii. Fees Paid by Customer – If costs are paid exclusively by the customer, what are the fees for ACH payments and credit card (Visa/MasterCard) payments? Does the fee have to be the same regardless of the payment type?
 - iv. Fees Paid by the City – If costs are borne by the City, provide a complete schedule of fees including, ACH, merchant card processing, and the amount by which the firm's fees exceed the applicable interchange rate for Visa/MasterCard.
18. Online Collection Services – Online Accounts
 - i. Can the firm/processor offer a secure internet gateway that allows users to set-up accounts?
 - ii. What service features can be added to the online user account (i.e. statement viewing, e-mail notification, payment due dates)? Please provide sample screen shots for another client using these enhanced features.
 - iii. Are all electronic documents, images, and customer information saved by your firm? If so, does the data belong to the City and can the customer data be transferred in a standard format usable by another vendor if another firm is selected at the end of the contract term?
 - iv. Describe e-bill and e-mail options.

- v. Can customers be setup with automated e-mail alerts when bills are available, payment due dates, or confirmation of payment?
 - vi. Are customers able to add multiple utility accounts to a single user account? Is there a limit to the number of utility accounts assigned per user ID?
 - vii. How would you recommend that the City update online user account data (i.e. daily transmission of all account balances, daily transmission of new transactions, and transmission of information for only accounts enrolled for online services)?
 - viii. What payment features can be offered on these accounts? Please describe the method to process each type of transaction (i.e. are ACH's initiated by your firm or is the file sent back to the City and processed by the City's bank?).
 - 1.8.1 One-time ACH transfer
 - 1.8.2 Recurring ACH Payments
 - 1.8.3 One-time merchant card payment
 - 1.8.4 Recurring merchant card payment
 - ix. Can accounts be set-up for recurring automated bill payments based on varying bill payment dates? If not, what alternatives are available?
19. How are payments remitted to the City (i.e. batched lump sum payment or individual payments directly from the customer to the City bank account)? If batch process, what reports are immediately available to identify customer information? Provide sample of report(s).
20. Can customers choose to "go paperless" and discontinue paper bills?
21. Is the proposed system fully Payment Card Industry Data Security Standard (PCI DSS) compliant?

4.10 Service Group 6: Merchant Card Processing

(Only firms proposing for Service Group 6 should respond to this section)

- 1. Describe the firm's bankcard and debit card-processing capabilities. List all card brands currently supported.
- 2. Does the bank act as its own processor or does it use the services of a third-party processor? If a third-party processor is used, for how long has the bank had a relationship with this institution?
- 3. Provide Information on the daily volume processed by the processor for all clients.
- 3. Can the processing system accommodate Internet transactions? If yes, please provide the following information.
 - i. Does the firm/processor have its own secure payment gateway or does it use a third-party secure payment gateway? If a third-party is used, provide information on that service provider.
 - ii. Describe the system's capabilities and outline the measures employed to protect sensitive information.
 - iii. What additional fees are associated with online transactions
 - iv. Does your firm have existing interfaces with CLASS and HDL?

4. Is your organization, including all subcontractors and third-party processors, in compliance with all applicable Payment Card Industry Data Security Standard (PCI DSS) requirements? Have you been certified by a third-party assessor?
5. Does the firm offer any assistance to help the City maintain or monitor its PCI compliance? If so, what is the fee? Is this charge based on terminals, merchant id, or other method? What is the amount of the charge? Is this a mandatory charge?
6. How is the applicable interchange fee determined for each transaction? By how much does the firm's fee exceed Visa/MasterCard's stated interchange assessment?
7. What process do you use to ensure that the transactions qualify for the lowest interchange category? Do you provide any review of account activity to help identify opportunities to improve qualification rates?
8. Do you provide address verification service?
9. Describe the special emerging market interchange rates applicable for utility payments received by the City. What is required to qualify for these special interchange rates?
10. Is the City's existing merchant card terminals (see table 14 below) compatible with your processor or are new terminals required?

Table 14: Merchant Card Terminals

	Model #
City of Surprise – Community and Recreation Services	Personal Computer
City of Surprise Police	FD100
City of Surprise – City Cashier	FD100

11. What wireless acceptance options do you have available for the City? Are short-term (1 ½ month) rental options available?
12. Describe your debit card processing capabilities. Which networks can you use to support both pin based and signature based transactions?
13. What authorization methods does the firm support and which does the firm recommend? List and describe alternatives.
14. What are the procedures to reverse an incorrect authorization?
15. What are the procedures to refund a payment when the card is not present?
16. Please complete the following table:

Table 15: Payment Processing Times

Batch Submitted by	ACH Credit Posted to the City's Account (if the account is with your Bank)	ACH Credit Posted to the City's Account (if the account is at a third-party bank)
Monday @ 11 p.m. Arizona Time		
Tuesday @ 11 p.m. Arizona Time		
Wednesday @ 11 p.m. Arizona Time		
Thursday @ 11 p.m. Arizona Time		
Friday @ 11 p.m. Arizona Time		

17. What is the latest time to submit transactions for processing to receive this same availability?
18. Are settlement amounts listed separately on the City's statement or will they appear as a lump sum? Will the firm break out settlement amounts by merchant location?
19. Please state the day of the month these statements should be received by the City.
20. When will interchange fees be deducted from the account, at the end of the day or at the end of the month?
21. Will you provide a designated contact person or a department to help the City manage chargebacks?
22. Describe the firm's online capabilities to review merchant card transactions? Is transaction information available by terminal or merchant identification number?
23. Describe the daily and/or month reconciliation reports available. Can summary reports by department or organization be created? Are these standard or custom reports created by individual users? Can reports be downloaded into Excel?
24. How many City employees will the firm permit to access this online reporting system with a unique log on identification? Is there a charge for additional users?
25. Provide sample reports of merchant card activity.

4.11 Service Group 7: Payroll Cards

(Only firms proposing for Service Group 7 should respond to this section)

1. Please describe the firm's proposed payroll card program.
2. Are you proposing a branded card (Visa, MasterCard)? If so, which one? Provide a sample image of the card.
3. Employee Contract
 - i. Describe the marketing materials you provide.
 - ii. Describe the enrollment process including information about training materials provided to employees.
 - iii. Once enrolled, how will cards be distributed to employees and students?

- iv. Do you provide enrollment/change forms directly to employees and students? Can the card holder enroll/make changes automatically (using an Internet/Intranet/Interactive Voice Response (IVR) system)?
- v. Describe the level of customer service provided to the cardholder. Is there a phone number they can call 24/7?
- vi. Do you offer any mobile applications for employees to view balances or locate in-network ATMs? Is there a cost?

4. Operational

- i. Does each employee get an individual account number? How will the City get the account number information?
- ii. How can the City pay employees that have lost their cards and have not yet received replacement cards (emergency payments)? Will balances from the lost/stolen cards be automatically transferred to the new cards?
- iii. What happens to inactive cards or cards held by terminated employees that have a remaining balance?

5. Reporting

- i. Identify the kind of management reports that are available.
- ii. Will the employee get monthly statements? In what format (paper, electronic) are the statements available?
- iii. Will the employee have inquiry access to their account via interactive voice response (IVR) system and/or the internet?
- iv. Provide sample reports.

6. Payroll Card Functionality

- i. Can the employee use any ATM?
- ii. How many no surcharge ATM locations does your financial institution maintain in Surprise, AZ?
- iii. Can the employee get cash-back from an Interlink merchant (or similar vendor)?
- iv. Can the employee get cash from a bank branch?
- v. Can the employee transfer funds from the card into another type of account (or vice-versa)?
- vi. Can the employee have automatic bill payments set-up?
- vii. Can the firm ensure that no overdrafts will occur? If the firm is unable to prevent overdrafts, who is liable for the overdraft if uncollectible?

7. Fee Structure- City of Surprise

- i. Describe any fees incurred by the City including:
 - 7.1.1 Card issuance fees

- 7.1.2 Transaction fees
- 7.1.3 Administrative costs
- 7.1.4 Software (lease purchase, installation, training, customization)
- 7.1.5 Standard reports
- 7.1.6 On-going technical assistance
- 7.1.7 Related training
- 7.1.8 Web capabilities, including real-time processing of applications

8. Fee Structure- Employee

- i. How many fee withdrawals per month can a cardholder get from your ATM network?
- ii. What other ATM/network can the cardholder use to get free withdrawals?
- iii. Will the cardholder be charged any point-of-sale (POS) fees for pin-based transactions?
- iv. Will the cardholder be charged for any POS fees for signature based transactions?
- v. Will the cardholder be charged for monthly account fees?
- vi. Will the cardholder be charged monthly online statement fees?
- vii. Will the cardholder be charged monthly paper statement fees?
- viii. Will the cardholder be charged balance inquiry fees?
- ix. Other fees/costs.

4.12 Service Group 8: On-Site ATMs

(Only firms proposing for Service Group 8 should respond to this section)

- 1. Will the firm be willing to operate the two ATMs currently located at Surprise Stadium at 15930 N. Bullard Avenue?
- 2. Does the firm offer the service of bringing in temporary ATMs to the City through the year on an “as needed” basis? How much notification time is needed? What security features would be required?
- 3. Is the City liable for stolen or damaged ATM machines?
- 4. What surcharge would the firm impose for ATM users? Would this surcharge be assessed on all transactions? If not, what users would be exempt from the surcharge?
- 5. Is the firm willing to enter into a revenue sharing agreement or monthly lease arrangement with the City? If so, how would that work?

4.13 Service Group 9: Armored Car Services

(Only firms proposing for Service Group 9 should respond to this section)

- 1. Describe your capabilities of providing armored car services for the City.

2. Identify any and all contractors, its officers, and contractual arrangements. State what services will be subcontracted.
3. Provide a description of the armored car vehicles that will be utilized, where they will be housed, and the security surrounding the armored car facility(s). In the event of breakdowns, delays, absenteeism, etc., describe your back-up resources for both vehicles and armored car personnel.
4. Outline the procedures you recommend clients follow in preparing cash and check deposits for armored car pick-up.
5. Explain in detail the procedure and responsibility of the armored car carrier from its arrival on the premises to its departure. Explain the responsibility of the onsite personnel at this time.
6. Explain the procedures for hiring armored car personnel. What qualifications and experience are required in armored car personnel candidates. What background checks are performed?
7. Provide the names and location of a minimum of two individuals (one primary and one backup) who will be responsible for daily inquiry problems, and initial training.
8. Include a summary of any problems that the Proposer may anticipate in meeting the requirements of this RFP and possible solutions to these problems.

4.14 Service Group 10: Wholesale Lockbox Services

(Only firms proposing for Service Group 10 should respond to this section)

1. Describe the firm's ability and experience in providing wholesale lockbox services. Describe any special services or capabilities that are relevant to the collection of medical care payments.
2. How does the firm's lockbox processes consider the requirements imposed by HIPAA?
3. Where will wholesale lockbox items be processed?
4. Can an Arizona P.O. Box be used? If so, is there an additional cost? Would there be additional mail float time?
5. What was the average monthly volume for your wholesale lockbox operation by location during the last twelve months (items, dollars, number of lockboxes and number of customers)?
6. What is the ledger cut-off time for wholesale lockbox deposits for the firm of first deposit (Include weekends and holidays)? What is the latest mail pickup to be included in the current day's deposit? Will you process and deposit all of City's payments on the same ledger day as received? If not, when are these items deposited?
7. Describe the lockbox department's processing workflow. Include a schematic or flow chart of the processing procedures.
8. How are checks processed for collection?
9. Describe your procedures for the capture and transmissions of remittance details such as account or bill number.
10. In what standard formats does the firm transmit? How will this information be transmitted (website, file transfer, etc.)? What time will this information be available to upload to the City's billing system for current day activity?
11. Describe the firm's procedures for processing exception items. Do you offer same-day online decisioning of exception items? Please describe and show a sample screen shot of this feature.

12. Can you provide daily images of all checks and remittance documents? If so, in what formats (e.g., online)? How long are online images accessible?
13. If correspondence or other non-payment documents are included in payment envelopes, how will these documents be transmitted to the City and the Billing Contractor?
14. For a given day's lockbox activity, at what time of day can you report the total amount that will be credited to the City's account?
15. Provide a copy of the availability schedule the firm proposes for items deposited through the wholesale lockbox.

4.15 Control

(All firms must respond to this section.)

1. Describe the backup and recovery capabilities in the event the proposed systems are unavailable. Who would the City contact to initiate day-to day transactions if online capabilities and functionality are temporarily unavailable?
2. Describe the firm's security environment. Specifically cover the physical security and software safeguards that you have put in place for each of the proposed Service Groups.
3. Describe the bank's security procedures for its information reporting system, both for access and information protection (e.g. RSA tokens, secure certification, etc.)?
4. Describe the encryption capabilities that are support by the firm for the transmission of data between the firm and the City. Describe the file verification capabilities that are supported by the firm.
5. List the types and amounts of insurance and bonding carried. Please confirm the firm meets the City's requirements as outlined in Section 5.28.3, 5.28.4, 5.28.5, and 5.28.6.
6. Does the bank maintain cyber liability insurance? If so, list the types and amount carried.
7. Include a copy of the bank's most recent reports issued in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 16 (formerly known as the Statement of Auditing Standards-70 (SAS70)) for any processes or systems relevant to the services proposed by the firm.

4.16 Implementation / Conversion

(All firms must respond to this section.)

1. Provide a detailed conversion plan for transitioning each of the proposed Service Groups to your firm. Please include the estimated length of time for the transition and the amount of effort required by the City's staff.
2. Who will be responsible for coordinating the transition for each of the proposed services? If a conversion team is used, how will the City's account be transitioned to the ongoing client service team?
3. Indicate the firm's plans for initial and ongoing education and training of City employees in the use of your systems.

4.17 New Services & Ideas

(All firms must respond to this section.)

1. Describe any new services or ideas that will enhance the City's use of treasury services.
2. Please provide any additional information that you believe to be pertinent but not specifically requested elsewhere in the RFP.

4.18 Sample Contract

1. Provide a sample of the proposed contract for your firm's services. Please also provide copies of all other documents that need to be signed/entered into related to the provision of the services requested in this RFP including any documents referenced or incorporated into the contracts/agreements.
2. It is the City's intent to incorporate the Request for Proposal and your firm's proposal response as part of the overall contract. Identify any sections of your proposal that you would not be able to incorporate into a contract with the City and explain why. It is not acceptable to exclude the entire proposal.

4.19 Pricing

It is the City's intent to award the contract(s) for an initial 5-year period with the option to renew it for two (2) additional 2-year periods. Offerors must agree to fix contract fees for the first five years. If the Contractor intends to revise its fee schedule after the initial five year period, it must give written notice to the City 90 days in advance of any fee change. Fees may be changed only on the contract anniversary date. These fees are subject to negotiation and approval by the City and may not exceed the annual consumer price index-urban (CPI-U) for the most recently available 12-month trailing period.

1. Are you willing to offer any transition or retention incentives?
2. Are there any additional breaks or incentives if one or more Service Group is awarded to your firm?
3. Describe the billing process for each of the Services Groups the Offeror has proposed. Include methods of billing and frequency the City is expected to pay for services.

4.20 Sub-Contracting

Subcontractors may be used to perform work under the Agreement. If the Proposer intends to use subcontractors, the Proposer must identify in the Proposal the names of the subcontractors and the portions of the work the subcontractors will perform.

If a Proposal with subcontractors is selected, the Proposer must provide the following information concerning each prospective subcontractor within five working days from the date of the City's request:

1. Complete name of the subcontractor
2. Complete address of the subcontractor
3. Type of work the subcontractor will be performing
4. Percentage of work the subcontractor will be providing
5. Evidence, as set out in the relevant section of this RFP, that the subcontractor is registered and, if applicable, holds a valid State of Arizona business license
6. A written statement, signed by each proposed subcontractor, that clearly verifies that the subcontractor is committed to render the services required by the contract and
7. A copy of the prime-contractor/sub-contractor contract verifying the prime-contractor has the sole responsibility for any and all services under this RFP and is financially liable, without exception, to the City for all services contracted by the Proposer under this RFP.

The Proposer's failure to provide this information, within the time set, may cause the City to consider its Proposal nonresponsive and reject it. The substitution of one subcontractor for another may be made only at the discretion and prior written approval of the City's Procurement Manager or contract administrator designated by the City.

4.21 References

The twentieth tab of the Proposal should identify the Proposer's references for the Project. Proposers shall provide at least three (3) City government clients with whom the Proposer has worked during the past three (3) years that are of similar size and complexity to the City.

Proposers shall complete a Vendor Reference Form for each of the references as contained in Attachment A.

If possible, the City prefers references that utilized the same Project manager as will be recommended for this Project. This section of the RFP response should also include an affirmative statement that the Proposer grants its consent for the City to contact the Proposer's references for purposes of evaluating the Proposer for this Project and acknowledges that any information obtained from the Proposer's references will not be disclosed to the Proposer.

4.22 Exceptions to Terms and Conditions

The twenty-first tab of the Proposal should include any exception the Proposer takes to the Contract Standard Terms and Conditions set forth in this RFP. Proposer should identify the areas where they feel the requested service or product is not available, deviates from the specific requests, or is deemed to be an unwise or unwarranted approach. The Proposer will describe exceptions to the RFP and identify their impact to the City, including, but not limited to, workarounds, reductions in performance, capacity, flexibility, accuracy, and ultimately cost and value. The City reserves the right to disallow exceptions at its sole discretion. Any and all exceptions to any provision, term or condition of this RFP must be identified and fully explained in the submitted Proposal. Exceptions to the City's Standard Terms and Conditions may result in the proposal being considered non-responsive and rejected by the City.

4.23 Attachments

The twenty-second tab of the Proposal should include the following Forms Attachments:

1. Attachment A – Reference Form
2. Attachment B – Receipts of Addenda Form
3. Attachment C – Affidavit of Non-Collusion Form

4.24 Price Proposal

The Proposer's Price Proposal should be provided under separate cover from the Proposer's Technical Proposal. The Price Proposal shall consist of one section:

1. The completed Cost Proposal Worksheet as contained in Attachment D. Provide a complete fee schedule for each of the Service Groups the firm is proposing to provide. Fees related to all services described in the proposal must be listed – even if the service is not specifically referenced on the pro forma. Also, include any one-time or set-up charges, research fees, minimum fees, and all other fees that will be charged.
 - i. Service Group 1: General Banking
 - ii. Service Group 2: Institutional Custody
 - iii. Service Group 3: Purchasing Card / Integrated Payables
 - iv. Service Group 4: Retail Lockbox Services
 - v. Service Group 5: Bill Printing & Mailing Services and Online Collection Services
 - vi. Service Group 6: Merchant Card Processing
 - vii. Service Group 7: Payroll Card
 - viii. Service Group 8: Onsite ATMs
 - ix. Service Group 9: Armored Car Services

- x. Service Group 10: Wholesale Lockbox Services

4.25 Taxes and Taxpayer Information

The awarded Vendor must provide a valid W-9 form within five (5) days of notification of award.

The City is exempt from paying local, state, or federal taxes.

4.26 Protests

Any interested party may protest a solicitation issued by the City or the proposed award or the award of a City Contract by submitting a request in writing with the Procurement Manager for the City of Surprise, with a copy directed to the City Attorney for the City of Surprise as follows:

Procurement Manager	City Attorney
City of Surprise	City of Surprise
16000 N Civic Center Plaza	16000 N Civic Center Plaza
Surprise, AZ 85374	Surprise, AZ 85374

- a. Writing: All protests must be in writing and shall include the following information:
- The name, address and telephone number of the protester;
 - The signature of the protester or its representative;
 - The solicitation or contract number;
 - A detailed statement of the legal or factual grounds of the protest including copies of relevant documents; and
 - The form of relief requested.
- b. Time Frame: To be considered, protests must be filed during the time frame identified in the procurement code.
- *Protests of a solicitation* must be filed within five (5) days of the first advertising of the solicitation.
 - *Protests of an award* must be filed within fourteen calendar (14) days of the issue date of the Notice of Award or Notice of Intent to Negotiate and Award per Article IX, Sec. 2-349 of the Procurement Code.
- c. The Procurement Manager is required to notify all interested parties that a protest has been filed

4.27 Pending and Recent Litigation

Proposers must disclose any pending or recent litigation they are involved in as a company. Recent is defined as the past three (3) years. Information provided should include the timeline of the litigation history, the subject of the litigation, and the current status of the litigation. Proposals must also disclose any pending litigation of any third-party partners in the Proposal.

4.28 Proposer's Certification

By signature on the Proposal, the Proposer certifies that it complies with:

1. The laws of the State of Arizona and is licensed to conduct business in the State of Arizona;
2. All applicable local, state and federal laws, codes and regulations;
3. All terms, conditions, and requirements set forth in this RFP;
4. A condition that the Proposal submitted was independently arrived at, without collusion; and,
5. A condition that the offer will remain open and valid for the period indicated in this solicitation; and any condition that the firm and/or any individuals working on the contract do not have a possible conflict of interest.

If any Proposer fails to comply with the provisions stated in this paragraph, the City reserves the right to reject the Proposal, terminate the contract, or consider the Proposer in default.

4.29 Offer Held Firm

Proposals must remain open and valid for at least 270 days from the deadline specified for submission of Proposals. In the event award is not made within 270 days, the City will send a written request to all Proposers deemed susceptible for award asking Proposers to hold their price firm for a longer specified period of time.

4.30 Amendment/Withdrawal of Proposals

Proposers may amend or withdraw Proposals prior to the deadline set for receipt of Proposals. No amendments will be accepted after the deadline unless they are in response to a request of the City. After the submittal deadline, Proposer may not modify, withdraw or cancel their Proposals for a minimum of ninety (90) days following the date. Proposers may make a written request to withdraw Proposals and provide evidence that a substantial mistake has been made. The Procurement Division may permit withdrawal of the Proposal upon verifying that a substantial mistake has been made, and the City may retain the Proposer's bid bond or other bid type of bid security, if one was required.

4.31 Alternate Proposals

Proposers may not submit alternate Proposals for evaluation.

4.32 Right of Rejection

The City reserves the right to reject any Proposal, in whole or in part, that does not comply with this RFP. Proposals received from debarred or suspended Vendors will be rejected. The City may reject any Proposal that is not responsible to all of the material and substantial terms, conditions, and performance requirements of this RFP.

The City reserves the right to reject any Proposal determined to be nonresponsive. The City also reserves the right to refrain from making an award if it determines it to be in its best interest.

4.33 Contract Negotiation

After final evaluation, the City may negotiate with the Vendor of the highest-ranked Proposal. Negotiations, if held, will be within the scope of the RFP and limited to those items that would not have an effect on the ranking of Proposals. If any Vendor fails to negotiate in good faith, the City may terminate negotiations and negotiate with the Vendor of the next highest-ranked Proposal. The City will not negotiate or consider terms raised for the first time during negotiations that conflict with, or reduce or materially alter any requirement or condition of this RFP or a respective Proposal. All Proposers are cautioned to strictly comply with section 4.22 and identify any term or obligation that the Proposer's Proposal excludes or alters.

If contract negotiations are commenced, they will be held at a City office location at a date and time to be determined.

If contract negotiations are held, the Contractor will be responsible for all costs including travel and per diem expenses.

4.34 Failure to Negotiate

If the selected Proposer:

1. Fails to provide the information required to begin negotiations in a timely manner;
2. Fails to negotiate in good faith;
3. Indicates it cannot perform the contract within the budgeted funds available for the Project; or,

4. If the Proposer and the City, after a good-faith effort, cannot come to terms; then

The City may terminate negotiations with the Proposer initially selected and commence negotiations with the next highest-ranked Proposer. At any point in the negotiation process, the City may, at its sole discretion, terminate negotiations with any or all Proposers.

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5.0 Contract Standard Terms and Conditions

5.1 Contract Type

The resulting contract from this RFP shall be a not-to-exceed based contract. The initial contract price will be based on prices submitted by the Contractor, subject to contract negotiations with the City, and remain firm for the initial term of the contract. Price adjustments may be negotiated at the request of either party in the extension periods with mutual agreement of the parties.

5.2 Contractor's Project Team/Subcontractors

- a. Project Manager. Contractor will designate an employee as the Contractor Project Manager with sufficient training, knowledge and experience to, in the City's opinion, handle all aspects of the Project such that the work produced by Contractor is consistent with applicable standards as detailed in this Contract. The City must approve the designated Contractor Project Manager.
- b. Project Team. The Contractor Project Manager and all other employees and subcontractors assigned by the Contractor, with prior approval of the City, to the Project will comprise the "Project Team."
 1. Project Manager will be responsible for and will supervise all Project Team members and any other employees or subcontractor assigned to the Project by the Contractor.
- c. Discharge, Reassign, Replacement.
 1. Contractor acknowledges the Project Team is comprised of the same persons and roles for each as identified in Contractor's response to the solicitation.
 2. Contractor will not discharge, reassign, replace or diminish the responsibilities of any member of the Project Team that has been approved by the City without City's prior written consent unless that person leaves the employment of Contractor, in which event the substitute must first be approved in advance in writing by the City.
 3. The Contractor will maintain an adequate and competent staff of qualified persons throughout the performance of this Contract. Contractor will promptly remove any of the member(s) of the Project Team at the City's request if a team member's performance does not equal or exceed the level of competence that the City may reasonably expect of a person performing those duties, or if the acts or omissions of that person are detrimental to the development of the Project. Any proposed team member replacement must be approved in advance in writing by the City.

5.3 City Project Manager

The City will designate a City Project Manager to act on behalf of the City during the term of this Contract. The City Project Manager has the authority to administer this Contract and shall monitor compliance with all terms and conditions herein. All requests for information from or decisions to be made by the City on any aspect of the Work shall be directed to the City Project Manager.

5.4 Contractor's Services

- a. Professional Services. Contractor will provide all Services necessary to assure the Project is consistent with Project requirements, Scope of Work, City guidelines and other criteria in this Contract, including, but not limited to, working in close interaction and interfacing with City and its designated employees, and working closely with other, including other Contractors and contractors retained by the City.
- b. Standard. Contractor must perform Services in accordance the standards of due diligence, care, and quality prevailing among contractors having substantial experience with the successful furnishing of Services for projects that are equivalent in size, scope, quality, and other criteria under the Project and

identified in this Contract. Contractor is to perform to the Services to the City's satisfaction. All Services shall be executed by personnel skilled in their respective lines of work.

1. Responsibility for Correction. It is agreed that the Contractor shall be fully responsible for making any correction, replacement, or modification necessary for specification or legal compliance of the Services.
2. Investigation of Conditions. The Contractor warrants and agrees familiarity of the work that is required, is satisfied as to the conditions under which it is to perform and enters into this Contract based upon the Contractor's own investigation.
3. Preparation of Specifications by Persons Other than City Personnel. All specifications shall seek to promote overall economy for the purposes intended and encourage competition and not be unduly restrictive in satisfying the City's needs. No person preparing specifications shall receive any direct or indirect benefit from the utilization of specifications, other than fees paid for the preparation of specifications.

5.5 Licensing, Debarment and Suspension

Contractor warrants and certifies that:

- a. Contractor and its Subcontractors will hold all appropriate and required licenses, registrations permits, and other approvals necessary for the lawful furnishing of Services ("Approvals"); and
 1. Neither Contractor nor any of its subcontractor are presently debarred, suspended, proposed for debarment, declared ineligible or otherwise legally excluded from contracting with any federal, state or local government entity; and
 2. Neither Contractor nor any of its subcontractor within a three (3) year period preceding this Agreement, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state anti-trust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
 3. Neither Contractor nor any of its subcontractor are presently indicted (or have been convicted) of or otherwise criminally or civilly charged by a governmental entity with the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state anti-trust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property, and
 4. Neither Contractor nor any of its subcontractors, within a three (3) year period preceding this Agreement, had one or more public transaction (federal, state or local) terminated for cause or default.
- b. City is under no obligation to ascertain or confirm the existence or issuance of any Approvals or Debarments, or to examine Contractor's contracting ability.
- c. Contractor must notify City immediately if there are any changes of information provided by Contractor or its subcontractors. The failure of the Contractor to notify the City as required will constitute a material default under the Contract.

5.6 Coordination; Interaction

- a. Contractor will work in close consultation and cooperation with any and all other professionals retained by the City on the Project ("Coordinating Consulting Professionals").

- b. Contractor will meet to review the Project, Schedule, and in-progress work with Coordinating Project Professionals and City Project Manager as often and for durations as City reasonably considers necessary in order to ensure the timely delivery of Services.
- c. For projects not involving Coordinating Consulting Professionals, Contractor will proactively interact with any other contractors when directed by City to obtain or disseminate timely information for the proper execution of the Project.

5.7 Work Product/Equipment/Materials – Rights of Use

The Contractor agrees that the City will own and have the right to use, reproduce and apply as it desires, any data, reports, analyses and materials which are collected or developed by the Contractor or anyone acting on behalf of the Contractor as a result of this contract.

5.8 Confidentiality and Encryption

- a. All data, regardless of form, including originals, images and reproductions, prepared by, obtained by, or transmitted to Contractor in connection with this Contract are confidential, proprietary information owned by the City. Except as specifically provided in this Contract, the Contractor shall not disclose data generated in the performance of the Services to any third person without the prior written consent of the City Manager.
- b. Personal identifying information, financial account information or restricted City information, whether electronic format or hard copy, are considered confidential information and must be secured and protected at all times to avoid unauthorized access. At a minimum Contractor shall ensure that all electronic transmissions of confidential data are encrypted and any cryptographic algorithm implementations used must have been validated by the National Institute of Standards and Technology (NIST). The use of proprietary encryption algorithms will not be allowed for any purpose. The export of encryption technologies is restricted by the U.S. Government.
- c. In the event that data collected or obtained by Contractor in connection with this Contract is reasonably believed to have been compromised, Contractor shall notify the City Attorney immediately. Contractor agrees to reimburse the City for any costs incurred by the City to investigate potential breaches of this data and, where applicable, the cost of notifying individuals who may be impacted by the breach.
- d. Contractor agrees that the requirements of this section shall be incorporated into all Subcontractor agreements entered into by the Contractor. Any violation of this section may result in immediate termination of this Contract by the City without further notice.

5.9 Effective Date and Contract Term

The term of this Contract shall be five (5) years commencing on the date last signed by both Parties ("Effective Date"), and may be extended or renewed for consecutive additional two (2) year periods, not to exceed a total of nine (9) years, subject to appropriations and mutual agreement of the Parties. The City has no obligation to extend or renew this contract, and any decision to do so is at the sole discretion of the City.

5.10 Compensation and Billings/Payments

Compensation. Contractor's compensation for the Project, including those Services furnished by its Subcontractors, is subject to negotiation. Prices shall specify all items including but not limited to taxes, ongoing maintenance, and licenses.

5.11 Change in Scope of Project

Changes in the scope of the project shall be documented in a written amendment signed by both parties.

- a. Adjustments to Compensation require a written amendment to this Contract and may require council approval.
- b. Additional services, which are outside the Scope of the Project contained in this Contract, may not be performed by the Contractor without prior written authorization from the City.

5.12 Taxes

Contractor will be solely responsible for any and all tax obligations that may result from Contractor's performance of this Contract.

5.13 Price Adjustment

Contract prices accepted and subsequently awarded by a Contract shall remain in effect for a minimum of five (5) years. The Contractor may request a price adjustment, but the City will not review or approve an increase until the Contract has been in effect for five (5) years. The City will review any requested rate increase to determine whether such request is reasonable in relation to increased supplier or material costs. Contractor shall provide written justification for any price adjustment requested, including information contained in the Consumer Price Index or similar official cost analysis to support any requested price increase. If the Contractor intends to revise its fee schedule after the initial 5 year period, it must give written notice to the City 90 days in advance of any fee change. Fees may be changed only on the contract anniversary date. These fees are subject to negotiation and approval by the City and may not exceed the annual consumer price index-urban (CPI-U) for the most recently available 12 month trailing period. Any price increase adjustment, if approved, will be effective upon execution of a written Contract amendment. Likewise, the Contractor shall offer the City a price adjustment reduction concurrent with reduced costs from their suppliers. Price reductions will become effective upon execution of a Contract amendment.

5.14 Price Reduction

Price reduction may be submitted to the City for consideration at any time during the Contract period. The Contractor shall offer the City a price reduction on the Contract product(s) concurrent with a published price reduction made to other customers. The City at its own discretion may accept a price reduction. The Contractor shall request, in writing, a price reduction. The Contractor shall request, in writing, a price reduction and provide the following:

- a. A formal announcement from the manufacturer that the cost of the contract product has been reduced.
- b. Documentation, i.e., published cost lists, from the manufacturer showing, to the satisfaction of the City, the actual reduction.
- c. Documentation showing that the published cost reductions have been offered to other distributors.

5.15 Warranty

The City intends to negotiate for significant warranty provisions to be incorporated in this contract.

5.16 Liens

The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

5.17 Fitness

The Contractor warrants that any material supplied to the City shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

5.18 Termination for Convenience

- a. City may terminate, or abandon any part of the Services, of this Contract for the convenience of the City, without cause and for any reason, by delivering a written Notice of Termination providing the effect date, which may not be less than 30 days following the date of service of the Notice of Termination.
- a. Upon receipt of notice, the Contractor shall, unless the Notice of Termination directs otherwise, immediately discontinue further Services and placing of orders for materials, facilities and supplies in connection with the performance of this Contract.
- c. In the event of termination, Contractor shall be paid only for Work performed prior to receipt of Notice of Termination including reimbursable costs then incurred, provided such work was performed in accordance with the Contract, less any setoff to which the City is entitled. Contractor shall not be entitled to any claim or claim of lien against Owner for any additional compensation or damages in the event of such termination and payment.
- d. Contractor will also be similarly compensated for any approved effort expended, and approved costs incurred, that are directly associated with Project closeout and delivery of the required items to the City. Approval must be in writing from the City Project Manager prior to any effort being expended.
- e. The Contractor shall appraise the services completed prior to receiving notice of the termination and deliver to the City all drawings, special provisions, field survey notes, reports, estimates and any and all other documents or work product generated by the Contractor under the contract, entirely or partially completed, together with all unused materials supplied by the City.

5.19 Termination for Cause

- a. Either Party may terminate this Contract in the event of a material breach of the Contract by the other. Prior to such termination, the Party termination will give to the other Party written notice of the breach and intent to terminate. If the Party committing the breach fails to cure any breach of Contract within fifteen (15) days after receipt of written notice specifying the breach, then the Party giving the notice may terminate the Contract at any time thereafter by giving a written notice of termination.
- b. The City may terminate this Contract immediately by written notice to the Contractor upon denial, suspension, revocation, or non-renewal of any license, permit or certificate that the Contractor must hold to provide Services under this Contract.

5.20 City's Contractual Remedies

Right to Assurance. If the City in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of days specified in the demand may, at the City's option, be the basis for terminating the Contract under Standard Terms and Conditions or other rights and remedies available by law or provided by the Contract.

5.21 Remedies

- a. In the event of a breach by the Contractor, the City may work either itself, by agreement with another Contractor, or by a combination thereof. If the cost of the Work exceeds the remaining unpaid balance of the total compensation provided under this Contract, then the Contractor shall pay the City the amount of the reasonable excess.
- b. In addition to the remedies provided herein for a breach by the Contractor, the City shall also be entitled to any other equitable and legal remedies that are available.

- c. If the City breaches this Contract, Contractor's remedy shall be limited to termination of the Contract and receipt of Contract payments to which Contractor is entitled.

5.22 Nonconforming Tender

Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the City may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

5.23 Right to Offset

The City shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the City, or damages assessed by the City concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Standard Terms and Conditions.

5.24 Risk of Loss and Liability

- 5.24.1 Indemnification. To the fullest extent permitted by law, Contractor shall defend, indemnify, save and hold harmless the City of Surprise, its elected officials, officers, employees, agents, boards and representatives (hereinafter referred to as "Indemnitee") for, from and against any and all claims, demands, actions, damages, judgments, settlements, personal injury (including sickness, disease, death and bodily harm), property damage (including loss of use), infringement, governmental action and all other losses and expenses, including attorney's fees and Litigations Expenses asserted by a third-party (i.e. a person or entity other than City or Contractor) and that is caused by, related to, arises out of, or alleged to have resulted from, in whole or in part, any negligent, reckless or intentional acts, errors, fault, mistakes, omissions, work, or service of the Contractor, its directors, officers, employees, agents, representatives, or any tier of subcontractors or any other person for whose acts, errors, fault, mistakes omissions, work or service the Contractor may be legally liable in the performance of this Contract.

The Indemnification provided hereunder shall extend to claims arising out of, or recovered under, Arizona's Workers' Compensation Law or the failure of Contractor to conform to any applicable and appropriate federal, state, or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the Parties that the Indemnitee shall, in all instances, except for claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that the Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable.

In consideration of the award of this contract, Contractor agrees to waive all rights of subrogation against Indemnitee for claims arising from the work performed by Contractor, its directors, officers, employees, agents, representatives, or any tier of subcontractors pursuant to this Contract. This indemnification provision shall survive the expiration or earlier termination of this Contract.

- 5.24.2 Indemnification – Patent, Copyright and Trademark. To the fullest extent permitted by law, Contractor shall defend, indemnify, save and hold harmless the City, its elected officials, officers, employees, agents, boards and representatives (hereinafter referred to as "Indemnitee") individually and collectively at Contractor's own expense, from and against any liability, including any and all expenses, losses, royalties, profits, judgments, damages, including all legal costs and expenses, court costs and attorney fees, for infringement of any patent, copyright or trademark or other proprietary rights of any third parties arising out of, related to or resulting from or used in the performance of this Contract, including use by the City. It is expressly agreed by Contractor that these covenants are irrevocable and perpetual. The City may be represented by, and actively participate through, its own counsel in such suit or proceedings, if it is so desires.

- 5.24.3 Title and Risk of Loss. The title and risk of loss of material or services shall not pass to the City until the City actually receives and accepts the materials and services at the point of delivery; and such loss, injury or destruction shall not release the Contractor from any obligation hereunder.
- 5.24.4 Acceptance. All material or services are subject to final inspection and acceptance by the City. Material or services failing to conform to the specifications of this Contract shall be held at Contractor's risk and may be returned to the Contractor. If returned, all costs are the responsibility of the Contractor.
- 5.24.5 Loss of Materials. The City does not assume any responsibility, at any time, for the protection of or for the loss of materials, from the execution of this Contract until the final acceptance of the work by the City.
- 5.24.6 Damage to City Property. Contractor shall perform all work so that no damage to any City real or personal property results. Contractor shall repair any damage caused to the satisfaction of the City at no cost to the City.
- 5.24.7 Force Majeure. Neither Party shall be in default by reason of any failure in performance of this Contract if such failure arises out of causes beyond their reasonable control and without the fault or negligence of said Party including, unforeseeable Acts of God; terrorism or other acts of public enemy; war and epidemics or quarantine restrictions.

If either Party is delayed at any time in the progress of the Work by force majeure, the delayed Party shall notify the other Party in writing of such delay, as soon as is practical, of the commencement thereof and shall specify the causes of such delay in the notice. The notice shall be hand-delivered or mailed certified-return receipt and shall make a specific reference to this provision. The delayed Party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by contract modification for a period of time equal to the time that results or effects of such delay prevent the delayed Party from performing in accordance with this contract.

5.25 Insurance

- 5.25.1 Contractor and any Subcontractors. Contractors, and each subcontractor, performing work or providing materials related to this Contract must procure and maintain insurance coverage's described below (collectively referred to herein as the "Contractor's Policies") against claims for injury to persons or damage to property which may arise from or in connection with this Contract by the Contractor, agents, representatives, employees, and subcontractors. The obligation to procure and maintain insurance continues until all of Contractor and subcontractor's obligation under this Contract has been discharged, including any warrant periods.
- a. Insurer Qualifications. Without limiting any obligations or liabilities of the Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance requirements with insurance companies duly licensed by the State of Arizona with a current A.M. Best Company, Inc. rating of not less than A- or above and a category rating of not less than "8" with policies and forms satisfactory to the City. Use of alternative insurers requires prior written approval from City. Insurance provided by Contractor shall be primary. Contractor's failure to maintain insurance as specified herein may result in termination of this Contract at the City's option.
- b. No Representation of Coverage Adequacy. The insurance requirements herein are *minimum requirements* for this Contract and the City in no way warrants that the minimum requirements contained herein are sufficient to protect Contractor from liabilities that might arise out of the performance of the Work under this Contract by Contractor, its agents, representatives, employees or subcontractors and the Contractor is free to purchase additional insurance. Any insurance coverage carried by the City or its employees is excess coverage and not contributory coverage to that provided by the Contractor. The amount and type of insurance coverage requirements set forth herein shall in no way be construed as limiting the scope of the indemnification obligations under this Contract.

c. Certificates of Insurance/Receipt/Endorsement.

1. Certificate of Insurance and Additional Endorsement. Insurance coverage, other than Workers' Compensation and Professional Liability, shall name the City, its agents, representatives, directors, officials, employees, and officers, as additional insured and **be properly endorsed**. Such certificates shall identify this Contract number and shall provide for not less than thirty (30) days advance Notice of Cancellation or Termination.
2. At time of the execution of this Contract, Contractor must deliver to the Procurement Division, City of Surprise, 16000 N. Civic Center Plaza, Surprise, Arizona 85374 certificates of insurance for each of Contractor's policies, which will confirm the existence or issuance of Contractor's policies in accordance with the provisions of this Section, and copies of the formal endorsements of Contractor's policies in accordance with the provisions of this Section.
3. The City reserves the right to review any and all of the insurance policies and/or an endorsement required by this Contract, but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Contract or failure to identify any insurance deficiency shall not relieve the Contractor from, nor be construed or deemed a waiver of its obligation to maintain the required insurance at all times during the performance of the Contract.
4. All insurance required herein shall be maintained in full force and effect until all Services required to be performed under the terms of the Contract are satisfactorily completed and formally accepted. Contractor's failure to secure and maintain all required insurance policies will constitute a material default under this Contract.

- d. Notice of Cancellation. Each certificate for each insurance policy required by this Section shall provide the required coverage and shall not be suspended, voided, canceled, reduced in coverage by endorsement to limits lower than those required by this Contract except after prior written consent from the City.

5.25.2 Workers' Compensation and Employer's Liability. Contractor must maintain a workers' compensation and employer's liability policy sufficient to cover obligations imposed by federal and state statutes having jurisdiction over its employees engaged in the performance of any Services herein.

5.25.3 Commercial General Liability. Contractor and Subcontractors shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000, for each occurrence and \$2,000,000 in the aggregate, products and completed operations insurance with a limit of not less than \$1,000,000, for each occurrence and \$2,000,000 in the aggregate. The policy shall include coverage for bodily injury, property damage, personal injury, products and contractual covering, but not limited to, the liability assumed under the indemnification provisions of this Contract. The certificate of insurance for the Commercial General Liability insurance policy shall expressly cover the indemnification obligations of indemnification required by this agreement. A general liability insurance policy may not be written on a "claims made" basis. **These limits may be met through a combination of primary and excess liability coverage.**

5.25.4 Excess/Umbrella Policy Insurance. An excess/umbrella policy of not less than \$5,000,000.00.

5.25.5 Automobile Liability Insurance. Automobile Liability insurance with a combined single limit for bodily injury and property damages of not less than \$1,000,000.00 each occurrence regarding any owned, hired, and non-owned vehicles assigned to or used by the User is required.

5.25.6 Professional Liability. Contractor and Subcontractors will maintain Professional Liability insurance covering negligent errors and omissions arising out of the services performed by the Contractor or any person employed by him, with a limit of not less than \$1,000,000 each claim and \$2,000,000 annual aggregate limit.

- 5.25.7 Claim Reporting. Any failure to comply with the claim reporting provisions of the policies or any breach of a policy warranty shall not affect coverage afforded under the policy to protect the City.
- 5.25.8 Other Contractors or Vendors. Contractor shall ensure that its subcontractors and/or vendors may be contracted with in connection with the Project procure and maintain insurance coverage as is appropriate for their particular contract and name and properly endorse the City as an additional insured.

5.26 Contract Interpretation

- 5.26.1 Disputes, Governing Law, Attorney Fees. Should any dispute, misunderstanding or conflict arise as to the terms or provisions contained in this Contract, the matter shall first be referred to the City, and the City shall determine the term or provision's true intent and meaning.

This Contract shall be deemed to be made under, shall be construed in accordance with, and shall be governed by the laws of the State of Arizona, without regard to choice of law or conflicts of laws principles thereof. Any action arising out of this Contract shall be commenced and maintained in the Superior Court of the State of Arizona in and for the County of Maricopa. In the event of litigation in a U.S. District Court, exclusive venue shall lie in the U.S. District Court located in Phoenix, Maricopa County, Arizona. The prevailing Party shall be reimbursed by the other Party for all attorney fees and all costs and expenses, including but not limited to all service of process, filing fees, court and court report costs, investigative costs, and expert witness fees which are incurred in any legal proceeding whatsoever arising out of this Contract, including, bankruptcy, arbitration, declaratory relief or other litigation, including appeals or rehearing.

- 5.26.2 Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either Party the Contract shall forthwith be physically amended to make such insertion or correction.
- 5.26.3 Parole Evidence. This Contract is intended by the Parties to be the final expression of their agreement and is intended also as a complete and exclusive statement of the terms of this agreement. No course of prior dealings between the parties and no usage in trade shall be relevant to contradict, supplement or explain any term used in this Contract.
- 5.26.4 Severability. If any provision in this Contract or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Contract and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.
- 5.26.5 Contract Documents. The following documents are attached hereto and hereby incorporated by reference into this Contract:

1. Proposal Response to the Request for Proposal, including Attachments, Addendum and Exhibits
2. Request for Proposal / Scope of Work
3. Negotiated Contract

The above named documents are essential parts of this Contract. They are intended to be complimentary and to describe the services, and terms under which, the Contractor has agreed to provide to the City. In the event any condition, covenant, or promise within or between the contract documents is in conflict, the executed contract, as negotiated, will control. In the event of a conflict between the Proposal and RFP, the Proposal will control.

- 5.26.6 Integration. This Contract contains the full agreement of the Parties hereto. Any prior or contemporaneous written or oral agreement between the parties regarding the subject matter hereof is merged and superseded hereby.

- 5.26.7 Independent Contractor. It is agreed that nothing herein contained is intended or should be construed in any manner as creating or establishing the relationship of co-partners between the parties hereto or as constituting the Contractor as the agent, representative or employee of the City for any purpose or in any manner whatsoever. The Contractor is to be and shall remain an independent contractor with respect to all services performed under this contract.

The Contractor represents that it has, or will secure at its own expense, all personnel required in performing services under this contract. Any and all personnel of the Contractor or other persons while so engaged, and any and all claims whatsoever on behalf of any such person or personnel arising out of employment or alleged employment including, without limitation, claims of discrimination against the Contractor, its officers, agents, contractors or employees shall in no way be the responsibility of the City; and the Contractor shall defend, indemnify and hold the City, its officers, agents and employees harmless from any and all such claims regardless of any determination of any pertinent tribunal, agency, board, commission or court. Such personnel or other persons shall not require nor be entitled to any compensation, rights or benefits of any kind whatsoever from the City, including, without limitation, tenure rights, medical and hospital care, personal and vacation leave, workers' compensation, unemployment compensation, disability, severance pay and Arizona State Retirement System.

- 5.26.8 Non-Waiver Monies Due. The City as a public entity supported by tax monies, in execution of its public trust, cannot agree to waive any lawful or legitimate right to recover monies lawfully due it. Therefore, Contractor agrees that it will not insist upon or demand any statement whereby the City agrees to limit in advance or waive any right the City might have to recover actual lawful damages in any court of law under applicable Arizona law.

- 5.26.9 Ambiguities Not Held Against Drafter. This Contract having been freely and voluntarily negotiated by all parties and the rule of contract construction that ambiguities, if any, in any term or condition of an agreement are held against the drafter of the agreement is not applicable to this Contract.

- 5.26.10 Non-Waiver Contract Provision. The failure of either Party to enforce any of the provisions of this Contract or to require performance of the other Party of any of the provisions hereof shall not be construed to be a waiver of such provisions, nor shall it affect the validity of this Contract or any part thereof, or the right of either Party to thereafter enforce each and every provision.

- 5.26.11 Cooperation and Further Documentation. The Contractor agrees to provide the City all duly executed documents as shall be reasonably requested by the City to implement the intent of this Contract.

- 5.26.12 Conflict of Interest/Third Parties. Contractor shall provide written notice to the City as set forth in this section, of any work or Services performed by the Contractor for third parties that, to the extent that the Contractor is aware, involves or is associated with any real property or personal property owned or leased by the City or which may be adverse to the City. Actions that are considered to be adverse to the City include but are not limited to:

- a. Using data acquired in connection with this Contract to assist a third-party in pursuing administrative or judicial action against the City;
- b. Testifying or providing evidence on behalf of any third-party in connection with an administrative or judicial action against the City; and
- c. Using data to produce income for the Contractor, its subcontractors or employees independently of performing the services under this Contract, without the prior written consent of the City.

Notice shall be given seven (7) days prior to commencement of the Services by the Contractor for a third-party. The Contractor's failure to provide a written notice and disclosure of the information as set forth in this section shall constitute a material breach of Contract.

- 5.26.13 Audit of Records. Contractor shall retain, and shall contractually require each and every subcontractor that performs any work under this Contract, all books, accounts, reports, files and any and all other records relating to the contract (hereinafter referred to as "Contract Documents") for six (6) years after

completion of the Contract. City, upon written request and at reasonable times, shall have the right to review, inspect, audit and copy all Contract Documents of the Contractor and any subcontractors. Contractor shall produce the original Contract Documents at City Hall, currently located at 16000 N. Civic Center Plaza, Surprise, Arizona, or at such other City facility within the City as designated by the City in writing. If approved by City Attorney in writing, photographs, microphotographs, or other authentic reproductions may be maintained instead of original Contract Documents.

5.26.14 Audit/Billing and Expenses. The City reserves the right to request supporting documentation for all hourly amounts or reimbursable expenses charged to the City. Such records will be subject to audit at any time during the term of this Contract and for a period not to exceed two (2) years after any amount is billed. Within thirty (30) days of receiving a request, the Contractor will furnish to the City original invoices to support all charges and complete payroll records to support such hourly labor charges. The City reserves the right to audit any other supporting evidence necessary to substantiate charges related to this Contract, both direct and indirect costs, including overhead allocations if they apply to hourly costs associated with this Contract. If requested by the City, the Contractor will provide supporting records electronically in addition to a hard copy.

- a. If the audit reveals overcharge, the Contractor will reimburse the City upon demand for the amount of such overcharges plus interest thereon from the date paid by the City through the date of reimbursement. If the overcharges exceed 5% of Contractor's compensation, then Contractor shall also reimburse the City for the cost of the audit.

The Contractor shall include a similar provision in all of its agreements with subcontractor providing services under this Contract to ensure the City, its authorized representative, and/or the appropriate federal agency, has access to the subcontractor records to verify the accuracy of any similar amounts charged to the City.

5.26.15 Offshore Performance of Work Prohibited. Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the City shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. The provision applies to work performed by subcontractors at all tiers.

5.26.16 Advertising. Contractor and its subcontractors shall not advertise or publish new releases concerning this Contract or any services provided to the City without prior written consent of the City Attorney.

5.26.17 City Marks. The Contractor and all subcontractors shall not use any trade name, trademark, service mark, or logo of the City (or any name, mark or logo confusingly similar thereto) in any advertising, promotions, or otherwise, without the City's express prior written consent.

5.26.18 Compliance. Contractor certifies and warrants Contractor and its SubContractors are in compliance with the following:

- a. All Services provided under this Contract will be furnished in compliance with all applicable federal, state, county, and local statutes, rules, regulations, ordinances, building codes, life safety codes, and other standards and criteria designated by the City.
- b. Non-Discrimination.
 1. Contractor and all subcontractors will not discriminate against any person on the basis of race, color, religion, age, gender, or national origin in the performance of this Contract, and shall comply with the terms and intent of Title VI of the Civil Rights Act of 1964, P.L. 88-354 as amended.

2. Contractor and its SubContractors understand and agree to comply with the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986, the Drug Free Workplace Act of 1989 and Arizona Executive Order 2009-09 as amended in performing this Contract and to permit the City to verify such compliance.
 3. Contractor agrees to require each of its agents, officers and employees to abide by the City's policies prohibiting sexual harassment, firearms and smoking, as well as all other reasonable work rules, safety rules or policies regulating the conduct of persons on City property at all times while performing duties pursuant to this Contract. Contractor agrees and understands that a violation of any of these policies or rules constitutes a breach of the Contract and sufficient grounds for immediate termination of the Contract by the City.
- c. E-Verify.
1. Contractor and its subcontractors shall comply with all applicable provisions of the Federal Immigration and Nationalization Act and A.R.S. § 41-4401 and A.R.S. § 23-214, which requires compliance with federal immigration laws by state employers, contractors and subcontractors in accordance with the E-Verify Employee Eligibility Verification Program.
 2. Pursuant to A.R.S. § 41-4401, the City may request verification of compliance from Contractor and any of its subcontractors under this Contract. The City reserves the right to confirm compliance. Should the City suspect or find that the Contractor or any of its subcontractors are not in compliance, the City may pursue any and all remedies allowed by law, including, but not limited to suspension of Services, termination of the Contract for breach or default, and suspension and/or debarment of the Contractor. All costs necessary for compliance shall be solely borne by the Contractor.
- d. Evidence of lawful presence in the United States. In accordance with A.R.S. §§ 1-501, 1-502 and as a condition of entering in this Contract, a natural person shall execute an affidavit certifying this fact and present one of the identification documents contained therein ("Identification Documents") to verify their lawful presence in the U.S. Failure to execute the affidavit upon submittal of the Contract documents shall be considered nonresponsive and shall result in rejection of the submitted response and automatic cancellation of this Contract. Companies, corporations, and limited partnerships (anyone other than an individual) are not required to complete and submit this form prior to receiving a public benefit.
- e. Any violation of this section shall constitute a material breach of Contract.
- 5.26.19 Continuation during Disputes. Contractor agrees that notwithstanding the existence of any dispute between the parties, insofar as is possible, under the terms of the contract, the Service Provider shall continue to perform the obligations required of the Contractor during the continuation of any such dispute unless enjoined or prohibited by the City or an Arizona Court of competent jurisdiction.
- 5.26.20 Cooperative Statement. This contract shall be for the use of the City of Surprise. In addition, specific eligible specific political subdivisions and nonprofit educational or public health institutions may also participate at their discretion. Any eligible agency may elect to participate (piggyback) on this contract if the Contractor agrees to do so.
- 5.26.21 Captions. The captions used herein are for convenience only and are not a part of this Contract and do not in any way limit or amplify the terms and provisions hereof.
- 5.26.22 Bankruptcy. This Agreement, at the option of the City, shall be terminable in the case of bankruptcy, voluntary or involuntary, or insolvency of the Contractor.
- 5.26.23 Public Records. Contractor acknowledges that all documents provided to the City may be subject to disclosure pursuant to Arizona Public Records laws.

5.27 Contract Changes

- 5.27.1 Modification. No supplement, modification, or amendment of any term of this Contract will be deemed binding or effective unless in writing and signed by the Parties with authority to do so. This section does not prohibit the City from unilaterally extending the contract term.
- 5.27.2 Successors and Assigns. This Contract is binding on the parties' respective partners, successors, assigns, and legal representatives. Contractor will not assign, sublet, or transfer its right or interest in this Contract nor monies due, in whole or in part, or delegation any duty of Contractor without the prior written consent of the City. Any assignment or delegation made in violation of this section shall be void. In no event does this Contract create any contractual relationship between the City and any third-party.
- 5.27.3 Third-Party Beneficiary. Nothing under this Contract shall be construed to give any rights or benefits in the Contract to anyone other than the City and the Contractor, and all duties and responsibilities undertaken pursuant to this Contract will be for the sole and exclusive benefit of City and the Contractor, and not for the benefit of any other Party.
- 5.27.4 Authorized Changes. The City reserves the right at any time to make changes in any one or more of the following: (i) specifications; (ii) methods of shipment or packing; (iii) place of delivery; (iv) time of delivery; and/or (v) quantities. If the change causes an increase or decrease in the cost of or the time required for performance, an equitable adjustment may be made in the price or deliver schedule, or both. Any claim for adjustment shall be deemed waived unless asserted in writing within thirty (30) days from the receipt of the change. Prior increases or extensions of delivery time shall not be binding on the City unless evidenced in writing and approved by the City.
- 5.27.5 Subcontracts. No subcontract shall be entered into by the Contractor with any other party to furnish any of the Service or Work specified herein without the advance written approval of the City.
- 5.30.6 Liens. Contractor shall hold the City harmless from claimants supplying labor or materials to the Contractor or its subcontractors in the performance of the Services required under this Contract. Contractor shall provide written certification that all liens against materials and labor have been satisfied before the City will make final payment.
- 5.27.7 Notice of Action/Suit. Contractor shall give Customer prompt notice in writing of any action or suit filed, and prompt notice of any claim made against Contractor by any entity that may result in litigation related in any way to this Agreement and/or which may affect the Contractor's performance under this Agreement.

5.28 General

- 5.28.1 Survival of Rights and Obligations after Contract Expiration or Termination
Contractor's Representative and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S 12-510, except as provided in A.R.S. 12-529, the City is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
- 5.28.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.
- 5.28.3 Compliance with Applicable Law. Contractor shall comply with all applicable federal, state and local laws, codes and regulations; including all applicable building regulations, license and permits requirements.
- 5.28.4 Right of Assurance. Whenever one Party to this Contract in good faith has reason to question the other Party's intent or ability to perform they may demand that the other Party give written assurance of this

intent and ability to perform. In the event that the demand is made and no written assurance is given within seven (7) days, the demanding Party may treat this failure as an anticipatory repudiation of this Contract.

- 5.28.5 Non-Performance. In the event of nonperformance under this Contract, the City, after seven (7) days written notice to the Contractor, shall have the right to obtain from other sources such Services as may be required to accomplish the work not performed, and it is agreed that the difference in cost, if any, shall be paid by the Contractor.
- 5.28.6 Non-Exclusive Remedies. The rights and remedies of the City under this contract are non-exclusive.
- 5.28.7 Time is of The Essence. Time of each of the terms, covenants, and conditions of this Contract is hereby expressly made of the essence. The City is providing services which involve health, safety and welfare of the general public, delivery time is of the essence. Delivery must be made in accordance with the delivery schedule promised by the Contractor.
- 5.28.8 Non-Exclusive Contract. Any subsequent Contract resulting from the solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the City. The City reserves the right to obtain like Services from another source when necessary and determined appropriate by the City's Procurement Manager.
- 5.28.9 Strict Performance. Failure of either Party to insist upon the strict performance of any item or condition of the Contract or to exercise or delay the exercise of any right or remedy provided in the Contract, or by law, or the acceptance of materials or services, obligations imposed by this Contract or by law shall not be deemed a waiver of any right of either Party to insist upon the strict performance of the Contract.
- 5.28.10 Conflict of Interest. This Contract is subject to cancellation by the City, without penalty or further obligations, pursuant to the provisions of A.R.S. § 38-511.
- 5.28.11 Entire Agreement. The executed Contract supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous agreements presently in effect between the parties relating to the subject matter hereof. Any alterations, amendments, deletions, or waivers of the provisions of the executed Contract shall be valid only when expressed in writing and duly signed by the parties, unless otherwise provided herein. The provisions of the executed Agreement are severable. If any portion hereof and in the executed Contract is, for any reason, held by a court of competent jurisdiction, to be contrary to law, such decision shall not affect the remaining provisions of the same Contract. Any waiver by either party of a breach of any provisions of the executed Contract shall not affect, in any respect, the validity of the remainder of the executed Contract.
- 5.28.12 Notices. Unless otherwise provided herein, demands under this Contract will be in writing and will be deemed to have been duly given and received either (a) on the date of service if personally delivered to the Party to whom notice is to be given, or (b) on the third day after the date of the postmark of deposit by first class United States mail, registered or certified postage prepaid and properly addressed as follows:

To City:
Procurement Manager
City of Surprise Finance Department
16000 N. Civic Center Plaza
Surprise, Arizona 85374

To Contractor:

Copy to:
City Attorney
City of Surprise

16000 N. Civic Center Plaza
Surprise, Arizona 85374

5.28.13 Signature/Execution. The person signing this Agreement (hereafter “Signatory”) represents and warrants that the Contractor has authorized him/her to execute this Agreement on its behalf and agrees to be bound by its terms and conditions, including the agreement of the Contractor to indemnify and hold the City harmless. In the event the Contractor did not authorize the Signatory to sign on its behalf, the Signatory agrees to assume responsibility for the duties and liability of the Contractor, as set forth herein, personally.

END OF STANDARD TERMS AND CONDITIONS

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Forms

See MS Word document “COS16-012 - Comprehensive Treasury Services - Forms.docx”

Attachment A – Reference Form

Attachment B – Receipts of Addenda Form

Attachment C – Affidavit of Non-Collusion Form

Attachment E – Notice of Intent to Submit a Proposal

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Worksheets

See MS Excel spreadsheet “COS16-012 Comprehensive Treasury Services – Cost Proposal Worksheets.xlsx”

Attachment D – Cost Proposal Worksheets

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